

Accts	50,20	Industries	Rs 250	Passenger	... £25
Banks	10,10	Leisure	£1,500	S. Africa	... £5.00
Bourses	89,45	Logistics	... 100	Europe	... £4.19
Budget	10,10	Middle East	... 100	Finance	... £9.75
Cards	221,29	Africa	... 500	Trade	... £9.75
Cancer	210,70	Latin America	... 500	Telecom	... £9.75
Computers	100,10	Asia	... 1,000	Transport	... £9.75
Crops	221,29	Europe	... 1,000	Automotive	... £9.75
Debt	10,10	Markets	... 10,000	Chemical	... £9.75
Edible	10,10	Securities	... 10,000	Pharmaceuticals	... £9.75
Fuel	10,10	Government	... 10,000	Plastics	... £9.75
Gold	10,10	Healthcare	... 10,000	Textiles	... £9.75
France	FF 6,00	Monetary	... 10,000	Telecommunications	... £9.75
Germany	DM 2,00	Services	... 10,000	Automobiles	... £9.75
Shares	DM 2,00	Utilities	... 1,000	Electronics	... £9.75
Hong Kong	HK 12	Markets	... 1,000	Automotive	... £9.75
Lloyds	1,000	Securities	... 1,000	Chemical	... £9.75
Long Term	10,10	Government	... 1,000	Plastics	... £9.75
Loans	10,10	Healthcare	... 1,000	Textiles	... £9.75
UK	10,10	Monetary	... 1,000	Telecommunications	... £9.75
USA	10,10	Services	... 1,000	Automobiles	... £9.75

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,885

Friday March 21 1986

D 8523 B

Pinochet reacts
nervously to
US attack, Page 5

World news Business summary

Reagan defeated over aid to Contras

London rises rapidly to peak

President Ronald Reagan suffered one of his biggest ever foreign-policy defeats on Capitol Hill when the Democrat-controlled House of Representatives rejected his plan for military aid to the anti-government Contra rebels in Nicaragua, by 222 votes to 210, after an emotional 10-hour debate.

Reagan, who had staked his personal prestige on the outcome, will now try to seek a compromise in the Republican-led Senate, in the hope of getting a modified plan through the House in another vote next month.

A last-minute offer by Reagan to delay \$75m of his \$100m aid package for 90 days, to give negotiations with the Nicaraguan Government a last chance, failed to sway enough of the wavering voters in the House, whom Reagan had been strenuously lobbying for the past 10 days.

Brussels to repay

The European Commission is to repay all the EEC member states their excess budget contributions for the first three months of the year, as a result of Britain's successful European Court action to save its own cash. Page 3

Spain joins N-group

Spain, which voted in a referendum to stay in Nato, said it would join the Alliance's Nuclear Planning Group, which it had previously attended as an observer.

Sindona in come

Traces of "toxic substances" were found in the blood of jailed Sicilian financier Michele Sindona, who was taken to a hospital outside Milan in a deep coma, a doctor said. Earlier report, Page 2

Panama offers home

Panama is reportedly ready to allow the former Philippines President Ferdinand Marcos to live permanently in the country. Marcos fled the Philippines last month to Hawaii. In Manila, President Corazon Aquino was understood to be preparing to abolish parliament and dissolve a revolutionary government. Nuclear power test, Page 5; Strike over, Page 6

Dutch Labour gains

Dutch opposition Labour Party made strong gains in local elections. Labour captured 32 per cent of the vote, according to first results, 3 points more than in 1982. The ruling Christian Democrats and Liberals saw their share fall from 33 per cent to 30 per cent. Page 2

Guerrillas sentenced

Three West German women, members of the banned Red Army Faction urban guerrilla group, were sentenced in Stuttgart to jail terms of eight to 15 years for attempting to kill two policemen and possessing firearms. Page 24

Ex-Nazis jailed

An East German court jailed two former Nazi police officials for life for their part in killing tens of thousands of Jewish men, women and children in the Warsaw Ghetto. Ferry adrift

A ferry with more than 400 people on board was adrift off southern Norway after a fire damaged navigation equipment and the engines. Prisoners freed

President Habib Bourguiba of Tunisia, in a gesture marking the 30th anniversary of the country's independence, ordered the release of 176 people jailed in connection with bread riots two years ago. Woodpecker found

The world's largest woodpecker, previously feared extinct, has been sighted in the mountains of south-eastern Cuba. Page 25

CONTENTS

Europe	2, 3	Editorial comment	29
Companies	23, 25	Eurobonds	29
America	5, 6	Euro-options	29
Companies	23, 25	Financial Futures	29
Overseas	7	Gold	29
Companies	24	Int'l Capital Markets	29
World Trade	8	Letters	29
Britain	11, 12, 14, 15	Lex	29
Companies	23-31	Lombard	29
Agriculture	38	Management	29
Appointments	39	Market Monitors	29
Arts - Reviews	19	Men and Matters	29
- World Guide	25	Money Markets	29
Commercial Law	35	Property	29
Crossword	35	Raw materials	29
Currencies	39	Stock markets - Bourses	29
		- Wall Street	29
		- London	29
		Technology	29
		Unit Trusts	29
		Weather	29

Chirac Cabinet to speed passage of economic policies

BY DAVID HOUSEGO AND PAUL BETTS IN PARIS

MR JACQUES CHIRAC took over as France's new right-wing Prime Minister yesterday and named a Cabinet dedicated to moving rapidly towards implementing the right's programme of selling state assets and boosting the competitive position of French industry.

His first minutes in office were shattered by a bomb explosion in the Champs-Elysées in central Paris, which killed one person and injured 29 others, 11 seriously. Shortly afterwards, a second bomb was discovered and defused at a busy metro station. The bomb attack illustrated that one of the Government's first serious problems will be tackling terrorism and the still outstanding issue of the French hostages in Lebanon.

The new Cabinet, formed after two days of complex negotiations, represented a careful balance between Mr Chirac's neo-Gaullist RPR and the different factions within the centrist UDF coalition. However, the RPR emerged as the dominant force in the new administration with control of the chief economic posts.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more difficult. On purely economic grounds, Mr Balladur is believed to see no need for a parity readjustment within the European Monetary System.

The biggest surprise was the inclusion of Mr François Guillaume, leader of the powerful French farmers' union (FNSEA), as Minister of Agriculture. He has led French farmers in their militant lobbying of the EEC over agricultural issues.

Immediately after taking office Mr Chirac announced that he had obtained from President Mitterrand the power to put through his economic legislation - including the lifting of price controls and a framework privatisation law - by decree.

Continued on Page 22

Profiles of ministers, Page 22

Prime Minister, and some of his followers have deliberately stayed out of the Government because of their opposition to "cohabitation" with President François Mitterrand.

Apart from Mr Chirac, the most important figure in the Government is Mr Edouard Balladur, who becomes Minister of Economy and Finance with responsibility for privatisation. A former Secretary General of the Elysée, he has been Mr Chirac's closest adviser in Cabinet-making but has no direct experience of managing the economy or of Parliament.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more

difficult. On purely economic grounds, Mr Balladur is believed to see no need for a parity readjustment within the European Monetary System.

The biggest surprise was the inclusion of Mr François Guillaume, leader of the powerful French farmers' union (FNSEA), as Minister of Agriculture. He has led French farmers in their militant lobbying of the EEC over agricultural issues.

Immediately after taking office Mr Chirac announced that he had obtained from President Mitterrand the power to put through his economic legislation - including the lifting of price controls and a framework privatisation law - by decree.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more

difficult. On purely economic grounds, Mr Balladur is believed to see no need for a parity readjustment within the European Monetary System.

The biggest surprise was the inclusion of Mr François Guillaume, leader of the powerful French farmers' union (FNSEA), as Minister of Agriculture. He has led French farmers in their militant lobbying of the EEC over agricultural issues.

Immediately after taking office Mr Chirac announced that he had obtained from President Mitterrand the power to put through his economic legislation - including the lifting of price controls and a framework privatisation law - by decree.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more

difficult. On purely economic grounds, Mr Balladur is believed to see no need for a parity readjustment within the European Monetary System.

The biggest surprise was the inclusion of Mr François Guillaume, leader of the powerful French farmers' union (FNSEA), as Minister of Agriculture. He has led French farmers in their militant lobbying of the EEC over agricultural issues.

Immediately after taking office Mr Chirac announced that he had obtained from President Mitterrand the power to put through his economic legislation - including the lifting of price controls and a framework privatisation law - by decree.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more

difficult. On purely economic grounds, Mr Balladur is believed to see no need for a parity readjustment within the European Monetary System.

The biggest surprise was the inclusion of Mr François Guillaume, leader of the powerful French farmers' union (FNSEA), as Minister of Agriculture. He has led French farmers in their militant lobbying of the EEC over agricultural issues.

Immediately after taking office Mr Chirac announced that he had obtained from President Mitterrand the power to put through his economic legislation - including the lifting of price controls and a framework privatisation law - by decree.

One of his most immediate tasks will be to decide whether to seek a quick devaluation of the French franc. That had been the right's intention if it had a strong majority, but it now becomes politically more

British companies protest against tax on ADRs

By Barry Riley and Alexander Nicoll in London

LEADING British companies whose shares are traded in New York in the form of American depositary receipts (ADRs) are to approach the Conservative Government to protest against a 5 per cent tax imposed in Tuesday's budget on the conversion of UK shares into ADRs.

One possibility is that GM would take a 48 per cent stake in Land Rover, leaving the rest with the BL board and the company's management and employees, although with an option to take a controlling interest later.

There were also suggestions last night that the Government might be willing to allow GM to take 100 per cent of the Land Rover company but that some kind of independent supervisory board be set up with power to ensure that the US group stands by the undertakings it will give in respect of Land Rover.

The outlines of a compromise package have now emerged after lengthy and, at times, heated negotiations between the British Government and GM, which threatened to break down.

Mr John Biffen, leader of the House of Commons, told MPs yesterday that a statement on BL would be made before the Easter recess starts next Thursday.

The negotiations over the last few days have turned on the extent of the remaining British interest in Land Rover in view of the strong

pressures from Conservative ministers and MPs representing seats in England's West Midlands, who opposed an outright US takeover.

The sticking point in the recent talks has been GM's insistence that any agreement must lead to full control. That lead to the talks about whether GM should take full control now, or in three to five years' time, depending on whether it had fulfilled various undertakings.

In a series of parliamentary written answers last night, Mr Peter Morrison, Minister of State for Industry, said GM had told him that should its proposals be accepted, "the UK would be the European centre for its truck and van operations, and that the new entity would have access to GM's worldwide sales network including that of Opel for vans in Europe."

Mr Morrison also said that GM had indicated that it would be "willing to give undertakings that appropriate level of investment would be made in the business to achieve competitive future models and facilities."

West Midlands Conservatives are likely to take a very close and sceptical look at the deal in view of their concern that the British identity of Land Rover in particular should not be diluted and that control should not pass to GM's world headquarters in the US.

For job cuts, Page 11

GM and UK close to deal on Leyland

By PETER RIDDELL, POLITICAL EDITOR, IN LONDON

GENERAL MOTORS of the US is shortly expected to reach final agreement with the British Government leading to a takeover of control of the Leyland trucks and Land Rover subsidiaries of the state-owned BL group. That is expected to be announced next week, probably on Tuesday.

The announcement of the duty-shocked corporate treasurers, equity dealers and banks which act as depositaries. It was seen as a setback to the current trend towards internationalisation of equity markets of which one aspect has been very active trading of British companies in the US.

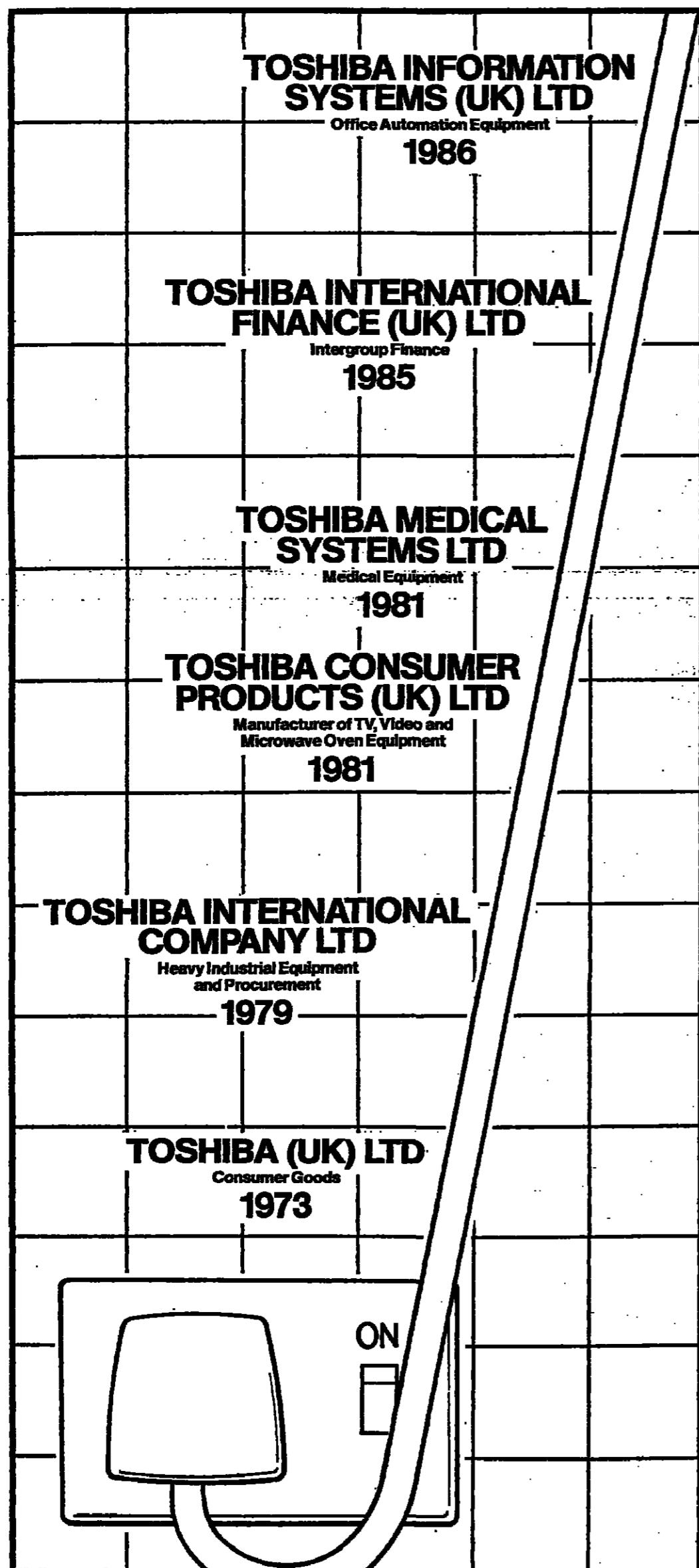
ADR prices have quickly moved to premiums above London levels to reflect part of the increased cost implied by the new tax. The cost of creating new ADRs has raised doubts about the longer-term liquidity of the market.

An ADR is a certificate issued by a bank stating that a specified number of company's shares are in the custody of a bank. The ADR, representing the shares, is then traded in the US and treated for legal purposes as a US security. Many Japanese, European and British companies have arranged for ADRs to be issued as they seek to broaden the geographical base of their shareholding.

Mr Christopher Bull, corporate treasurer of British Telecom, said yesterday that informal discussions had been arranged with other big companies traded in the ADR market, and it was planned to lobby the Treasury to scrap the tax.

"I find it hard to see what the Government hopes to gain

ANOTHER PLUG FOR TOSHIBA



On the 1st January, we opened our sixth company in the UK.

It's called Toshiba Information Systems.

We've set it up to market, distribute and service our extensive range of Office Automation equipment.

Such as photocopiers, micro

computers and telephone systems.

Which means we manufacture and supply electric and electronic equipment for the home, for the office, for hospitals and for industry. And some of these products we export from Britain.

So as you can see, we're fully equipped to keep the UK switched on.

In Touch with Tomorrow
TOSHIBA

Toshiba Information Systems (U.K.) Ltd., International House, Windmill Road, Sunbury-on-Thames, Middlesex TW16 7HR, Tel: 0832 785566.

EUROPEAN NEWS

Kremlin irked by setbacks in the West Diplomatic delay in Moscow over US summit decision

BY DAVID BUCHAN IN MOSCOW



Mr Dobrynin . . . still in Moscow

THREE diplomatic protests to the US in the past week, together with Moscow's querulous exchanges on arms control, have combined to form a growing cloud over prospects for an early superpower summit.

The Kremlin has yet to give any formal answer to the US proposal for a mid-summer summit—whether because Mr Mikhail Gorbachev sees extra political leverage in delay or because the Soviet leadership is taking a respite from decision-making after the party congress—is unclear, say western diplomats.

But the rebuffs by President Ronald Reagan and Prime Minister Margaret Thatcher to Soviet proposals on banning nuclear testing and reducing medium-range nuclear missiles have caused evident frustration. Perhaps more important have been the decisions by the Spanish and French electorates to keep Spain in Nato and to give French Communists their smallest electoral share for half a century.

Mr Gorbachev seems to have hoped that his keynote speech to the party congress, with its call for broader-than-ever co-operation with peace-loving forces in the west, would make more impact in the west than his predecessors ever achieved.

The style as well as substance of US moves has irritated the Soviets. Washington, for instance, quickly conceded this week that its two warships had been six miles inside Soviet Black Sea waters as Moscow had protested—but claimed "right of innocent passage" for them.

This apparent insouciance piqued Moscow, as did Mr Reagan when, far from joining the Kremlin in a nuclear test moratorium, he decided to invite Soviet observers to attend the next Nevada test.

THE SOVIET UNION yesterday made a further overture to try to end its long estrangement with Albania with a Tass news agency statement supporting the Tirana government's demand for the return of its gold from Britain, writes David Buchan.

Britain has held on to Albanian gold which ended in Allied hands at the end of the Second World War for lack of a settlement of its claim against Albania over the sinking of two British warships in 1946 in Albanian waters. In fact, in the past year it has had three secret negotiating sessions with Albanian officials but without result.

The Tass statement yesterday backed the "legitimacy" of the Albanian claim and supported Albania's denial of blame for the sinking of the ships. However, so far Soviet blandishments have brought no response from Tirana, which still continues to damn Soviet leaders as "social imperialists," on a par with US "imperialists and Yugoslav revisionists."

cently been in Moscow discussing a new shipping accord that would require Soviet ships to give less than the current two weeks notice demanded to use any American port. Educational and cultural exchanges, as agreed in principle at the Geneva summit, have also been reviewed and even the touchy issue of human rights in advance of next month's Helsinki conference session in Berne.

But the real barometer of superpower relations is arms control. Soviet officials feel they are pushing some Western governments close to admitting that they do not in the last resort want a world totally free of nuclear missiles or tests (the reason, of course, is Western suspicion of what the Soviets would do with their conventional power).

But such "confessions" of "nuclearphilia," as the Soviets see it, seem not to be having the impact on Western opinion they would like.

So the issue for Mr Gorbachev is how much progress on his arms control terms is needed politically before he can agree to call on Mr Reagan in the White House. The signs are that for reasons of politics and accident Soviet foreign policy makers may take more time to reach that decision.

A further reshuffle of the key central committee secretariat is considered possible, if only to give Mr Anatoly Dobrynin, the Washington envoy turned Moscow policy-planner, a portfolio commensurate with his wide experience of the West.

But Mr Dobrynin, who has yet to return to the US to make his farewell calls there, is reported to have slipped on the Moscow ice and to be laid up in a clinic. In the circumstances, his fall could be both real and diplomatic at the same time.

US to seek bids for Star Wars in Europe

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT IN WURZBURG

THE US will invite tenders within the next month from European companies interested in designing a Star Wars system specifically aimed at defending Europe from incoming nuclear missiles. Nato's defence ministers were told here yesterday.

The ministers, who have been meeting here in the Nuclear Planning Group, the most secretive of Nato's ministerial bodies, were yesterday given a full briefing on the progress of the \$26bn Strategic Defence Initiative research programme by Mr Caspar Weinberger, the US Defence Secretary, General James Abramson, head of the SDI Organisation and other US

officials.

In the course of this, the ministers were told that European companies would be welcome to tender for the so-called European architecture studies, whether or not their governments had signed formal agreements to participate in the SDI research programme.

Such studies, which the US sees as an integral part of the full SDI programme, would be intended to produce designs for a space-based defence against short- and medium-range nuclear missiles of the sort that would primarily be a threat to Europe.

Reports of yesterday's closed session here suggested that Mr Weinberger and his officials are pleased at the progress they have made in winning over European governments' support for the SDI programme. Partly for this reason, it seems, they felt able to extend an invitation to companies throughout Nato to tender for the new studies.

Hitherto, Britain has been the only country to conclude a formal SDI participation agreement with the US, but following the outline accord reached between Mr Weinberger and Chancellor Helmut Kohl earlier this week, West Germany is expected to sign its own agreement shortly.

Much of yesterday's session was apparently taken up with reports of the technological progress which the US believes it

is achieving in improving the efficiency and reducing the size and costs of key components for a future space-based system.

European concern at the implications of an eventual deployment of such a system for Nato's nuclear strategy clearly remain and were apparently voiced yesterday by the Netherlands. However, the ministers again decided that the time was not yet ripe for a full and formal Nato study of the matter.

The US has repeatedly said that the research programme initially funded for five years, would only lead to deployment after the fullest consultation internationally.

Technology, Page 34

Hungary sets limit on key jobs

BY LESLIE COLLYN IN BUDAPEST

THE HUNGARIAN Communist leadership is to limit the terms of office of key party officials in a move intended to improve "Socialist democracy."

The Communist party central committee, headed by its long-serving general secretary, Mr Janos Kadar, announced that a limited term would be set for posts held by "political and public leaders." However, the central committee could approve an exception to this rule.

Mr Kadar, who became party leader after the suppression of the Hungarian uprising in 1956, would presumably be the main exception to the new practice.

At 73 he has shown no sign of wanting to retire as head of the party, although a deputy general

secretary was appointed last year. Interestingly it was his deputy, Mr Karoly Nemeth, who put forward the new policy.

Mr Nemeth also said that the "majority" of leadership positions in the Government, economy and cultural areas should be filled through applications or election. This would conform with the current practice of electing company managers in Hungary.

In a move last year to increase party democracy, the Hungarian parliamentary elections had multiple candidates for each seat although all supported the party's goals.

The central committee announcement also said "blue collar workers" and lower

echelon leaders should have a chance to compete for senior leadership posts. A high proportion of top party jobs are held by career party members who give up their professional work.

Workers in manufacturing jobs who belong to the party are only rarely promoted to senior party posts. They also make up a relatively small proportion of total membership in the party, compared with office workers and retired people.

In a spate of recent self-criticism, the Hungarian Communist leadership admitted that young people in Hungary show little interest in either the party or politics. This, it said, did not bode well for the future.

\$350m loan raised

by Turkey

By David Barchard in Ankara

TURKEY HAS concluded an agreement with the International Bank for Reconstruction and Development for a \$350m co-financing loan to build a hydroelectric project in south-central Turkey and a 5,000 hectare irrigation project in the Siliks plain on the Mediterranean coast.

The loan, which is repayable over 12 years with a grace period of five years, will cover the main part of Turkey's balance of payments financing this spring, and comes at a time when the central bank has been forced to put tighter controls on foreign currency transactions by the commercial banks.

The Kayraktepe dam, the largest single project to be put up to tender this spring, is expected to be completed by 1994 and will have a 420 mW capacity.

The agreement has been announced a few days earlier than expected but will undoubtedly have a soothing effect on money markets here.

Turkey is also seeking balance of payments support by issuing commercial paper on the New York markets through the agency of Goldman Sachs.

Jailed Italian banker in a coma

By James Buxton in Rome

MICHELE SINDONA, the former Italian banker sentenced to life imprisonment this week, was yesterday in what was thought to be an irreversible coma, possibly caused by a stroke. He is in the prison hospital at Voghera near Milan.

Only on Tuesday he was jailed for life in Milan for arranging the murder in 1979 of Giorgio Ambrosoli, the lawyer officially investigating the affair of his collapsed Banca Privata.

After the sentence Mr Sindona said that the conviction made him laugh. "My future will not change in the slightest." But his lawyer said yesterday that Mr Sindona was deeply depressed when he saw him.

Mr Sindona built up a financial network of banks in both Italy and the US. In 1980 he was sentenced to 25 years imprisonment in the US for fraud and perjury over the collapse of Franklin National Bank in New York.

The gains by Labour came mainly at the expense of the junior coalition party, the Liberals,

although unemployment remains high at 15 per cent, and by opting to deploy US Cruise missiles in the face of fierce public criticism.

The national news agency ANP calculated yesterday that if Wednesday's voting pattern was repeated in the general election, the Government's majority would fall to four seats.

Labour, led by former Prime Minister Joop den Uyl, raised its share of the vote from 29 per cent at the last general election in 1982 to 32 per cent. It captured outright control of the big Rotterdam council and made important advances in Amsterdam and in the south, traditionally a stronghold of the centre and right.

Unofficial surveys showed Labour won up to 30 per cent of the votes of newly enfranchised foreign residents. About 330,000 immigrants, half of them Turks and Moroccans, were given the right last year to vote for local councils, although they remain excluded from general elections.

The gains by Labour came mainly at the expense of the junior coalition party, the Liberals,

although unemployment remains high at 15 per cent, and by opting to deploy US Cruise missiles in the face of fierce public criticism.

The national news agency ANP calculated yesterday that if Wednesday's voting pattern was repeated in the general election, the Government's majority would fall to four seats.

Labour, led by former Prime Minister Joop den Uyl, raised its share of the vote from 29 per cent at the last general election in 1982 to 32 per cent. It captured outright control of the big Rotterdam council and made important advances in Amsterdam and in the south, traditionally a stronghold of the centre and right.

Unofficial surveys showed Labour won up to 30 per cent of the votes of newly enfranchised foreign residents. About 330,000 immigrants, half of them Turks and Moroccans, were given the right last year to vote for local councils, although they remain excluded from general elections.

The gains by Labour came mainly at the expense of the junior coalition party, the Liberals,

although unemployment remains high at 15 per cent, and by opting to deploy US Cruise missiles in the face of fierce public criticism.

The national news agency ANP calculated yesterday that if Wednesday's voting pattern was repeated in the general election, the Government's majority would fall to four seats.

Labour, led by former Prime Minister Joop den Uyl, raised its share of the vote from 29 per cent at the last general election in 1982 to 32 per cent. It captured outright control of the big Rotterdam council and made important advances in Amsterdam and in the south, traditionally a stronghold of the centre and right.

Unofficial surveys showed Labour won up to 30 per cent of the votes of newly enfranchised foreign residents. About 330,000 immigrants, half of them Turks and Moroccans, were given the right last year to vote for local councils, although they remain excluded from general elections.

The gains by Labour came mainly at the expense of the junior coalition party, the Liberals,

although unemployment remains high at 15 per cent, and by opting to deploy US Cruise missiles in the face of fierce public criticism.

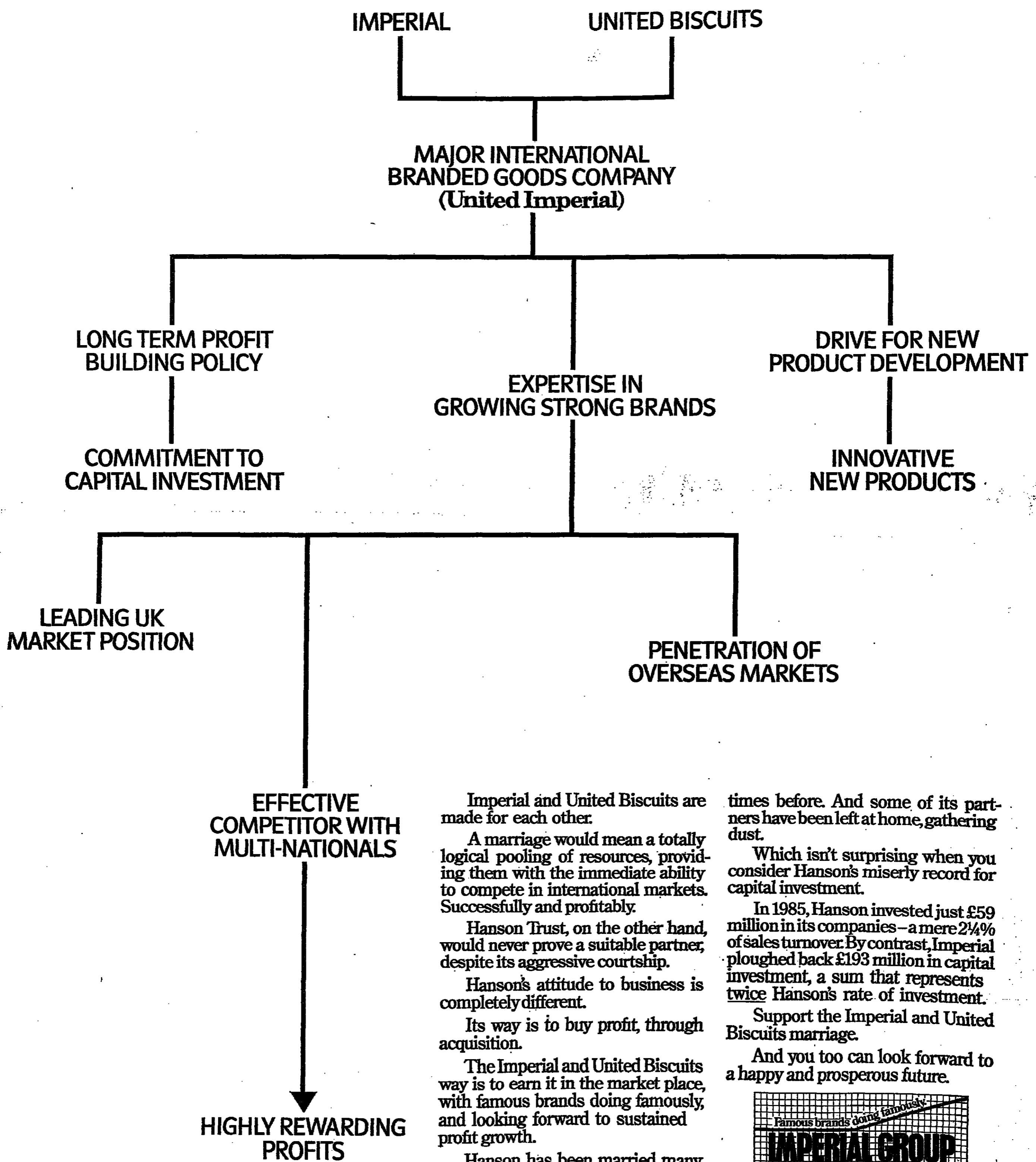
The national news agency ANP calculated yesterday that if Wednesday's voting pattern was repeated in the general election, the Government's majority would fall to four seats.

Labour, led by former Prime Minister Joop den Uyl, raised its share of the vote from 29 per cent at the last general election in 1982 to 32 per cent. It captured outright control of the big Rotterdam council and made important advances in Amsterdam and in the south, traditionally a stronghold of the centre and right.

Unofficial surveys showed Labour won up to 30 per cent of the votes of newly enfranchised foreign residents. About 330,000 immigrants, half of them Turks and Moroccans, were given the right last year to vote for local councils, although they remain excluded from general elections.

The gains by Labour came mainly at the expense of the junior coalition party, the Liberals,

The marriage of Imperial and United Biscuits. (And how to be an heir to the fortune)



Imperial and United Biscuits are made for each other.

A marriage would mean a totally logical pooling of resources, providing them with the immediate ability to compete in international markets. Successfully and profitably.

Hanson Trust, on the other hand, would never prove a suitable partner, despite its aggressive courtship.

Hanson's attitude to business is completely different.

Its way is to buy profit, through acquisition.

The Imperial and United Biscuits way is to earn it in the market place, with famous brands doing famously, and looking forward to sustained profit growth.

Hanson has been married many

times before. And some of its partners have been left at home, gathering dust.

Which isn't surprising when you consider Hanson's miserly record for capital investment.

In 1985, Hanson invested just £59 million in its companies - a mere 2½% of sales turnover. By contrast, Imperial ploughed back £193 million in capital investment, a sum that represents twice Hanson's rate of investment.

Support the Imperial and United Biscuits marriage.

And you too can look forward to a happy and prosperous future.



AMERICAN NEWS

Stevenson suffers election setback

By Reginald Dale, US Editor, In Washington

THE DEMOCRATIC Party in Illinois was in a state of shock yesterday after two right-wing candidates unexpectedly captured top slots on the party ticket for November's gubernatorial elections.

The raid was conducted by supporters of Mr Lyndon LaRouche, a sometime presidential candidate who has apparently veered from Marxism to the extreme right over the last 10 years.

The success of the LaRouche candidates in Wednesday's primary was a serious upset for Mr Adlai Stevenson III, son of the former leading liberal Democrat who twice ran unsuccessfully for the White House in the 1950s. Mr Stevenson won the Democratic nomination for Governor in the primary, but his handpicked Democratic running mates were defeated.

The problem for Mr Stevenson is that in November's election he is meant to run on a single ticket with the independently chosen candidate for Lieutenant Governor, who is now Mr Mark Fairchild, a LaRouche supporter. Mr Stevenson is not prepared to do this.

"I will never run on a ticket with candidates who espouse the hate-filled folly of Lyndon LaRouche," Mr Stevenson said. "We will now seek legal means to remove Mr Fairchild from the ticket or, failing that, possibly withdraw from the Democratic nomination and run as a representative of a new party, to be called The True Democratic Party."

The ideology of Mr LaRouche's National Democratic policy committee is notoriously hard to pin down. Mr Fairchild's platform, however, includes a call for mandatory testing for Aids and a quarantine on all those infected by the disease. It also includes severe punishment for banks caught laundering drug money, and end to farm foreclosures.

The LaRouche candidates apparently took advantage of voter ignorance and apathy, and were confident by the official Democrats to launch their sneak attack.

Concern is growing about Washington's intentions, writes Mary Helen Spooner in Santiago

US condemnation puts pressure on Chilean regime

GENERAL Augusto Pinochet's regime is nervously trying to decipher the mixed signals emanating from Washington in the wake of last week's US-sponsored resolution in the United Nations condemning Chile's human rights practices.

The resolution, along with recent events in Haiti and the Philippines, has boosted the hopes of the regime's opponents, despite the fact that the Chilean army's support for General Pinochet shows no immediate sign of wavering.

The regime has reacted to the increased external pressures by attempting to project an image of moderation. Late last month the Chilean Foreign Ministry announced that a group of 47 exiles had been authorised to return to the Chile.

Last week a speech by Mr Ricardo Merino, the Interior Minister, marking the fifth anniversary of the return of authoritarian constitution, was

report by special envoy Fernando Volio, has sparked an angry debate within official circles. Mrs Volio, a former Costa Rican Foreign Minister who visited Chile last month, wrote that the time had come to end the "transition period" in Chile.

The principal reason for continued arbitrary arrests, torture, and other abuses was "the existence of a government not founded on the principle of self-determination of the people," he said.

Mr Jaime del Valle, Chile's Foreign Minister, said the report had caused "great frustration" for the Government.

Diplomats in Santiago speculate that Mr Del Valle, the regime's fifth Foreign Minister, may eventually be replaced as the retired general's seat to allow him for the duration to allow Mr Volio into the country.

In a separate diplomatic visit, Sweden pointedly did not invite a Chilean representative to the funeral of the late Olof Palme, the assassinated premier, along with representatives of the South African and Paraguayan governments.

Ambiguous statements by senior Reagan Administration officials have added to the feeling of outside pressure on



Gen. Pinochet (left) ... vehement reaction to Mr. Regan's remark

Chile. On Sunday Mr Donald Regan, the White House Chief of Staff, was asked if the US was seeking to destabilise the Pinochet regime. He responded: "No, not at the moment," adding that the Administration still supported its political change.

The statement, not surprisingly, triggered a hostile reaction in Santiago.

Admiral Jose Merino, a junta member and naval commander,

attention to Chile. Gen. Pinochet's reaction was equally vehement.

"Our constitution was approved by the Chilean people," he said, referring to the controversial 1980 plebiscite in which official results showed two thirds of the voters backing the new charter and an extension of Gen. Pinochet's Presidency until 1989. "On the other hand, the American constitution was imposed."

If the Reagan Administration does decide to bring its full weight to bear against the Pinochet regime, it will find that it has less influence than many supposed. Arms sales to Chile have been curtailed for nearly a decade, and current economic aid programmes are minimal.

On the other hand, the US could use its influence to block multilateral loans to Chile at a time when the country badly needs all available foreign credit.

According to the Centre for International Policy, a Washington-based research group, US delegates on the boards of the World Bank and the Inter-American Development Bank have supported a total of \$2.2bn in loans to Chile during the Reagan Administra-

tion. Last year, as a protest against the regime's decision to impose a state of siege throughout the country, the US abstained during the voting on three multilateral loans. The fear that it might oppose a badly-needed World Bank guarantee of \$150m in private sector loans eventually led the authorities to lift the state of siege. The less harsh state of emergency remains in effect.

Chile has applied for another \$700m in development loans from the World Bank and IDB, most of which will be voted on this year. Nevertheless, Chilean opposition groups are divided over the issue of economic sanctions.

"The responsibility for the return of democracy belongs to Chileans," Mr Gabriel Valdes, president of the Christian Democrats, Chile's largest political party, said last week. "But we encourage all democracies in the world to support this effort."

He declined to say whether his party favoured US opposition to multilateral loans to Chile. Such a move "depends on the sovereign decision of the US, but we are not requesting anything like that," he said.

Nasa phone logs show calls from White House

By Nancy Dunn in Washington

Mr William Graham, acting administrator of National Aeronautics and Space Agency (Nasa), made or received at least four telephone contacts with the White House in the days preceding the fatal launch of the space shuttle Challenger on January 28, according to records made available on Capitol Hill.

Some of Mr Graham's telephone records were furnished to members of Congress who are investigating all pressures to launch the Challenger despite the unusually cold weather at Cape Canaveral. The White House has vigorously denied reports that it had pressured for an early launch so that the Challenger could be mentioned in the state of the union message.

In a letter to Congressman Edward Markey, chairman of an energy subcommittee, Mr Graham said that records were not made of all agency communications and contacts between the White House and Nasa. He enclosed "a preliminary list of my telephone calls" and said as soon as a "computer search of my long-distance calls bag been completed, I will forward any additions." He claimed that the records would not be available for six weeks.

Congressman Markey has been investigating the nuclear risk implications of the Challenger accident for two missions powered by plutonium 238 which had previously been scheduled for May. He said that documents obtained by his subcommittee suggest that Nasa may have decided to make safety compromises for these two nuclear missions because of scheduling pressures.

He cited one internal Nasa document which said: "Recent actions to 'fix as is' ... and fix for future missions indicates schedule pressure is forcing solutions which might otherwise be rejected."

• Martin Marietta, the US aerospace company, said it plans to lay off up to 700 workers at its Michoud plant in New Orleans because of a production slowdown following the explosion of the Challenger.

Canadian MPs propose stricter banking regulations

BY BERNARD SIMON IN TORONTO

A COMMITTEE of Canadian members of parliament has proposed sweeping changes in the regulation of financial institutions, including the abolition of discriminatory restrictions on foreign-owned banks and greater overlap between the functions of different types of financial institution.

Reporting in the wake of the first bank failures in Canada for 62 years, the House of Commons finance committee also urges tighter supervision of financial institutions and a sliding scale of ownership controls.

Companies with assets below C\$100m (£43.8m) could be wholly-owned by a single shareholder. The finance committee's recommendations are not binding on the Government, which earlier this year published its own proposals for reforming the regulatory system.

Panama 'ready to receive Marcos'

DEPOSED Philippine President Ferdinand Marcos may soon leave Hawaii for Panama, Ag reports from Washington.

Negotiations between the US and Panama about the possibility that Mr Marcos may go there are understood to have been going on for several days.

Panama is believed to have told the State Department on Wednesday that Mr Marcos would be allowed to enter the country.

It is unclear whether the Republic of Panama would be a permanent home for Mr Marcos or only a temporary residence.

Teh chief Philippine investigator of Mr Marcos' wealth cast doubt on Wednesday on the amount of his illegal contributions to the deposed President of \$50,000 (£33,780) each to the 1980 Presidential campaigns of Mr Ronald Reagan and Mr Jimmy Carter.

End in sight for GE strike

A TENTATIVE agreement was reached on Wednesday in talks between management and the union representing 7,400 striking workers at three General Electric plants in eastern Massachusetts, the union said.

Details of the agreement have not yet been released. Union stewards were to vote on the proposal on Wednesday and the rank-and-file yesterday.

The tentative pact includes some specific commitments on the role of the union stewards, grievance procedure and classes for workers and managers on how to deal with problems, on union said.

The negotiating committee is recommending to accept the agreement.

The vote was extended to

Local 201 of the International Union of Electronic, Electrical, Technical, Salaried and Machine

Workers had picketed GE's Lynn, Everett and Medford plants in the strike, which began on February 21 over a backlog of employee grievances and the suspension of shop steward.

Union members first struck only at the Lynn aircraft engine plant, but the action was

extended to the plants in Medford and Everett, which

make steam turbine equipment and engines for military aircraft.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama City.

A communiqué issued by the 70,000-member National Council of Organised Workers (Conato), said it would con-

tinue pressuring the Government to eliminate labour reforms approved by the Government-controlled National Assembly last weekend and endorsed on Monday by President Eric Arturo Delvalle.

The reforms, which slash pay for overtime and other worker benefits, are part of an economic austerity plan to

make Panama eligible for new loans and debt financing facilities from the World Bank and International Monetary Fund.

Without the new loans the Government could face serious liquidity problems and might run out of dollars to meet the state's payroll or debt interest payments.

PANAMA'S leading labour federations yesterday suspended the nationwide strike it called 10 days ago in protest against proposed reforms of the country's labour laws, Reuter reports from Panama

AMERICAN NEWS

If you made more than 70% on any investment in the last year, don't read on.

Don't worry. Comparatively few people would have been able to turn confidently to the next page.

But then comparatively few investments outperformed the GT Europe Fund last year.

Of course, ours isn't the only Fund to benefit from the recent buoyant European economy.

But a growth rate of more than 70% in the last twelve months has made it one of the five best performing Europe Funds. (Source: *Reuters Abroad*, February 1986).

After such remarkable growth, you could easily presume that it was just a short term European boom. But we think you'd be wrong.

Strong economies, low inflation and keen overseas interest in Europe can only be good news for the stock markets.

Of course, such high growth rates are somewhat exceptional.

GT Europe Fund

But we believe that Europe is still and will remain one of the best places for long term investment.

GT have had many years of experience there, and currently has £400 million invested in various European markets on behalf of our institutional and private clients.

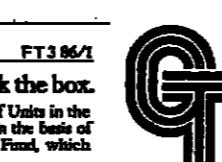
GT is a major independent international investment management group. From our offices around the world our Fund managers monitor the financial markets worldwide.

If you'd like to know more about the GT Europe Fund, please fill in the coupon.

To: GT Management Guernsey Ltd, P.O. Box 141, St. Peter Port, Guernsey, Channel Islands.

Name _____

Address _____



If you are a US citizen please tick the box.
This advertisement does not constitute an offer of Units in the Fund. Applications for units may only be made on the basis of the current prospectus and application form of the Fund, which contains full details about the Fund.

FT386/1

ONLY TWO years after the break up of American Telephone and Telegraph's Bell telephone network, the long distance phone business in the US is in turmoil.

What is not clear is whether the problem is too much or too little competition. Some of the new entrants to the \$45bn-a-year market argue that deregulation has been too rapid. AT & T dismisses their pleas for market-place protection, saying its rivals are running scared.

Amid the upheaval has come a spate of mergers among AT & T's competitors and, in the battle to survive, America's other common carriers (OCCs) have been forced into rapid technological change, one result of which is expected to be a glut of fibre-optic telephone network capacity in the US.

Mergers include that of Satellite Business Systems (SBS) into MCI Communications, the Washington-based cut-price carrier which ranks a distant second to AT & T in the market place, but which was the only major carrier to post a profit last year.

SBS was a joint venture between International Business Machines (IBM), Aetna and Comsat, who between them poured in over \$1.3bn but gained only 1 per cent of the market. IBM agreed to the merger in return for a 16 per cent equity stake in MCI.

Another of AT & T's major competitors, GTE, has announced plans to fold its GTE Sprint long distance telephone subsidiary into a joint venture with United Telecommunication's offshoot US Telecom. The result of the marriage, US Sprint, will rank as the third largest US carrier, with about 4 per cent of the market and 2.2m customers.

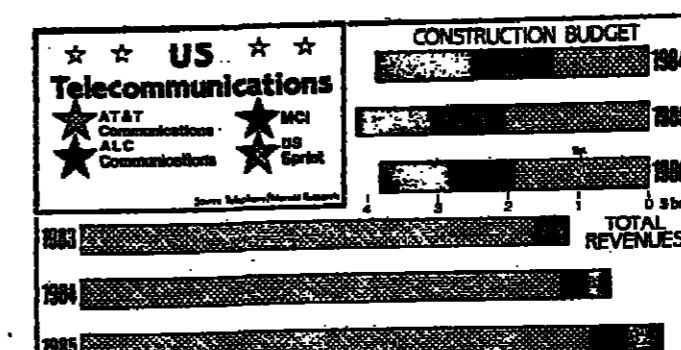
More importantly the introduction of equal access is having a big impact on the market's underlying cost structures. Traditionally, OCCs paid 70 per cent less than AT & T for their local telephone connections, and since mid-1984 they have paid 55 per cent less.

This allowed them to undercut the giant rival by offering as much as 10 per cent.

But as equal access is being phased in, the OCCs local connection discount is being eliminated. Meanwhile, AT & T's access payments, historically used to subsidise local telephone services, are being reduced. Even though the OCCs are picking up more business as a result of equal access advertising campaigns.

There are still hundreds of small long distance telephone companies in the US, mostly reselling the surplus capacity of the big common carriers.

AT & T, however, still controls some 80 per cent of the market (excluding charges it pays to local companies to complete customers' calls), while the three other major common carriers—MCI/SBS, US Sprint and ALC Communications—the latter formed by the December merger of Allnet and Lextel—control the lion's share of what



is left. The changed economics of the US long distance telephone business are most obvious in the move towards so-called "equal access". At its simplest, this means requiring local telephone companies to provide the technology to allow AT & T's rivals to offer their customers the same quality of service AT & T already receives.

Under the Bell system post-deregulation rules established by the US Federal Communications Commission (FCC), equal access is being phased in piece-meal, exchange by exchange. The changeover, begun last year, will be about 70 per cent complete by the end of 1986.

As a result, most of America's 90m telephone subscribers are for the first time being asked to choose their long distance carrier. In the battle for market share, this has forced the long distance telephone companies into costly advertising campaigns.

More importantly the introduction of equal access is having a big impact on the market's underlying cost structures. Traditionally, OCCs paid 70 per cent less than AT & T for their local telephone connections, and since mid-1984 they have paid 55 per cent less.

This allowed them to undercut the giant rival by offering as much as 10 per cent.

But as equal access is being phased in, the OCCs local connection discount is being eliminated. Meanwhile, AT & T's access payments, historically used to subsidise local telephone services, are being reduced. Even though the OCCs are picking up more business as a result of equal access advertising campaigns.

Despite the risks, most Wall Street analysts believe the OCCs have little choice if they want to remain in business. In part this is because AT & T has proved to be more aggressive and innovative than any one expected in the wake of the Bell system break-up.

Over the past 18 months AT & T has cut its domestic long distance prices by around 12 per cent, further reducing the pricing flexibility of the OCCs and forcing hundreds of long distance service "resellers" to

accept reduced margins, go out of business or, like Allnet, merge with a financially stronger partner. Last month AT & T cut most of its international call charges by an average of 10.1 per cent.

At the same time it has introduced a retail discount calling plan—which has attracted 2m subscribers in 18 months—and hopes to launch a similar service offering up to 15 per cent discounts to small businesses. The OCCs, with a significantly higher proportion of business customers than AT & T, have so far managed to stall this second scheme. But it is thought the Federal Communications Commission will give the go-ahead soon.

In this changed environment, deregulation moves by the FCC have won it few friends. Last year it reduced the period of regulatory review before AT & T could launch new services, agreed to permit AT & T to market long distance services and, and allowed AT & T to justify pricing services on the basis of that business alone, rather than the full costs of the whole operating company.

Nevertheless, AT & T claims it is having to fight the US long distance telephone battle with one arm tied behind its back, while GTE and some of the other OCCs have mounted a determined lobbying campaign in Washington to slow down the deregulation process.

The FCC, Congress and the courts are likely to address all issues involved in a three year review of the basis of the AT & T divestiture agreement.

Meanwhile, there are seven new Bell holding companies formed out of the Bell system break-up. These are big, financially strong and have already proved themselves determined to extend their operations beyond the business of providing local telephone services.

They already handle most inter-state long-distance calls and are eager to enter the wider long-distance business. If they are allowed, they could provide the only real competition for AT & T, MCI and US Sprint. AT & T could find itself facing powerful competition from its own offspring.

FRASER WOOD MAYO & PINSON

Chartered surveyors & estate agents

ESTABLISHED 1845

If there's one hot property they value highly, it's the modern electric storage heater.

There are few people better equipped to recognise an attractive proposition than estate agents. So when Fraser Wood, Mayo and Pinson, leading Walsall agents, made improvements to their own habitat they went straight to their Electricity Board.

ALL MOD CONS.

An up-to-date heating system was, as ever, a first requirement. With up to seventy customers visiting their showroom each day, plus four partners and a staff of twenty in the adjacent offices to keep warm, they needed an effective and cost-efficient solution.

While other systems demanded lengthy pipe runs and threatened significant structural alterations, electric

storage heating offered that very solution, with a low capital cost, and swift, trouble-free installation.

LOW RUNNING COSTS.

Thanks largely to effective controls which make full use of low-cost, night rate electricity, the running costs have turned out to be, in partner Roger Pinson's words, "remarkably low".

"We have an outside weather sensing control which automatically decides how much heat should be stored. It's unbelievably efficient," he beamed, "I didn't realise how controllable these systems are."

ATTRACTIVE ASPECT.

The new materials that make modern electric storage

heaters so effective allow them to be built much slimmer (some are less than 6 inches in depth), so they blend into modern commercial premises as unobtrusively as they do in modern homes.

"They really look quite pleasant," added Roger Pinson, "I won't have anything else in future." And on that we are pleased to say, he is sold.

HOME IMPROVEMENTS.

All the benefits of modern electric storage heaters are equally applicable to domestic use. Which is of course good news for the public as well as businessmen.

If you're in the market for an up-to-date heating system for your premises, cut out the coupon or phone Freefone BuildElectric and see what we've got on our books.

Please send me more information on energy-efficient electric heating. Post to: Electricity Publications, PO Box 2, Feltham, Middlesex TW14 0TG.

Dimplex

Creda

Unicare

Name _____	
Position _____	
Company/Address _____	
Post Code _____ Tel _____	
HEATELECTRIC The Electric Council, England and Wales.	

OVERSEAS NEWS

Seoul warns that North is readying for war

By Steven R. Butler in Seoul

MR LEE KE-SAEK, the South Korean Defence Minister, yesterday warned in the steepest terms that North Korea was preparing to launch an attack before the end of the decade.

In an unusual address to the nation, Mr Lee described as "unprecedented" a recent massive build-up of North Korean offensive military capabilities.

He said that the North was preparing to launch an attack before the end of the decade, adding that "the balance would begin to tip in favour of the South."

Since the summer of 1985, North Korea has acquired new offensive weapons from the Soviet Union, including MiG-23 tactical aircraft capable of reaching Seoul 17 minutes after takeoff, and Scud-B ground-to-ground missiles which can hit targets in Pusan, he said.

Over the past year, North Korea has gradually raised the level of troop concentration in front-line areas from 45 to 65 per cent of its total military strength in a massive forward redeployment of troops.

The result, which is confirmed by US military analysts, is to reduce reliable early warning time for an attack from several days to several hours, making an effective response far more problematical.

The plant, which has never operated, is similar to ones

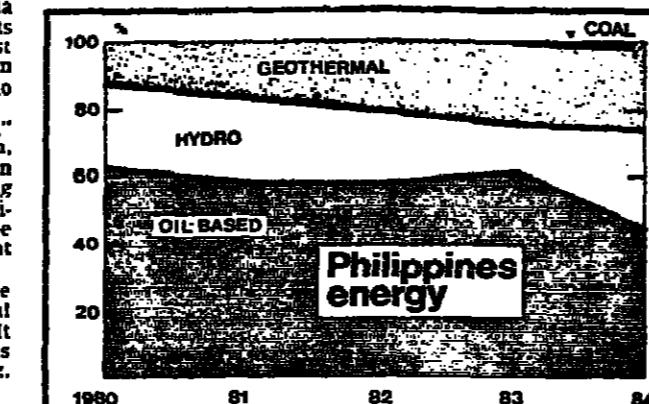
built in South Korea, Yugoslavia and Brazil by Westinghouse. Its opponents claim that the cost has rocketed from \$500m when it was originally ordered to \$2.2bn today.

"It just confirms our view," said Mr Teofilo Gutierrez, chairman of the Commission on Audit which is spearheading the Aquino Government's anti-corruption drive. "that the whole thing is an extravagant waste of public funds."

The \$500m price tag, says the NPC, was only the original quotation for construction. It did not include extras such as transmission lines, training, interest costs and fuel.

The NPC has so paid \$431m in interest charges alone on the \$1.5bn foreign loan component of the deal. It continues to do so at a rate of \$350,000 daily. Faced with a crippling total foreign debt burden of \$2.6bn and a debt service costing 40 per cent of export earnings, Mr Aquino's financial advisers are likely to argue that to abandon the project at this stage would be to throw good money after bad.

A major objection to the plant is its safety and construction. Construction was first stopped following the Three Mile Island nuclear accident in the US in 1979. Although that plant was not built by Westinghouse it was of a similar pressurised water reactor two-loop design and Mr Marcos ordered



suspension while its safety features were re-evaluated.

The plant's location was also questioned by local opponents who pointed out that it is built only 20 km from a seismic fault and 16 km from two dormant volcanoes. The International Atomic Energy Agency (IAEA) was asked to make recommendations, which were later incorporated in the design, as were improvements recommended by the US National Regulatory Commission (NRC).

The NPC finally applied for an operating licence from the Philippine Atomic Energy Commission (PAEC) in 1984 which conducted a public hearing at which further evidence of design faults and poor con-

struction was presented by the plant's opponents.

They were led by Mr Joker Arroyo, now Mrs Aquino's executive secretary and one of her closest advisers. The case was referred to the country's Supreme Court which ruled on February 11, 1986, five days after the stormy Presidential election which eventually swept Mr Marcos from power.

Mr Poliant said: "The PAEC's regulatory commission would have to be reconstituted to hear the evidence before a final decision can be taken."

Mr Poliant said: "The opponents eventually ran out of technical arguments and so like the adequacy of our fire-

fighting system and our emergency procedures."

President, said last week that the power produced by the plant would be needed when the Philippines experiences its

ARMED police in the troubled East Malaysian state of Sabah yesterday mounted a delicate operation to extricate some 1,600 Moslem opposition supporters who found sanctuary in the state mosque after Wednesday's riot in Kota Kinabalu.

The police action was part of a bid to end eight days of sectarian violence in which 29 have died. A bombing campaign has coincided with demonstrations by Moslem National Organisation (Ums) against the mainly Christian Government of Datuk Joseph Pairin Kitingan.

The turmoil has left five dead and generated fears that the Malaysian Government, which has never fully accepted last April's state election victory of Datuk Pairin, may want to impose direct emergency rule from Kuala Lumpur.

Last night the situation in Kota Kinabalu appeared fragile as the second night of an indefinite curfew began. Up to 1,600 of those still occupying the mosque appeared to be belligerent or—have it converted to conventional fuel.

The remainder, mostly young men, agreed to leave and had been taken to police headquarters for interrogation.

Sabah police seek to evict rebels from mosque

By Chris Sherwell in Kota Kinabalu, Sabah

ARMED police in the troubled East Malaysian state of Sabah yesterday mounted a delicate operation to extricate some 1,600 Moslem opposition supporters who found sanctuary in the state mosque after Wednesday's riot in Kota Kinabalu.

The police action was part of a bid to end eight days of sectarian violence in which 29 have died. A bombing campaign has coincided with demonstrations by Moslem National Organisation (Ums) against the mainly Christian Government of Datuk Joseph Pairin Kitingan.

The turmoil has left five dead and generated fears that the Malaysian Government, which has never fully accepted last April's state election victory of Datuk Pairin, may want to impose direct emergency rule from Kuala Lumpur.

Last night the situation in Kota Kinabalu appeared fragile as the second night of an indefinite curfew began. Up to 1,600 of those still occupying the mosque appeared to be belligerent or—have it converted to conventional fuel.

The remainder, mostly young men, agreed to leave and had been taken to police headquarters for interrogation.

Nuclear power decision a test for Aquino's idealism

Alain Cass on the arguments over Philippine energy supplies

PRESIDENT of the Philippines, Mrs Corazon Aquino, was swept to power on a tidal wave of idealism. One of the first tests of that idealism will come when she decides whether or not to scrap the country's first nuclear power plant—as she is committed to do—or give it to more pragmatic advisers. They argue that to do so would be a colossal waste of money and a major source of energy.

The debate is set in the battle over the plant built by Westinghouse of the US, already losing up. The state-owned National Power Corporation (NPC) claims it can run the \$2.1bn 620-Mw plant safely and economically, while its opponents insist it remains a health and safety hazard, a waste of public funds and superfluous to the country's energy requirements.

The issue has been complicated by allegations that millions of dollars paid in commissions by Westinghouse to get the turkey contract ended up in the pocket of Mr Ferdinand Marcos, the deposed leader, or his associates. Westinghouse denies there was anything improper about any of the commissions.

Opponents of the project, who now hold powerful positions in the Aquino Administration, have seized on this claim to push their contention that the plant, situated on the Batangas peninsula, 45 miles west of Manila, is an extravagant waste the country cannot afford. The plant, which has never

operated, is similar to ones

Israel vows to continue peace hunt

By Andrew Whitley in Jerusalem

ISRAEL yesterday pledged to continue its search for peace in the Middle East, despite the killing of an Israeli woman and wounding of three others in Cairo on Wednesday night.

Prime Minister Shimon Peres said that terrorist organisations seeking to spark a large-scale confrontation in the Middle East will not dictate to us our efforts on behalf of peace." He fled on President Hosni Mubarak of Egypt to "cut off the arm of violence" threatening peace hopes in the region.

Yesterday, President Mubarak promised Mr Avraham Sharir, the visiting Israeli Tourism Minister, that bureaucratic restrictions on Egyptian trade and tourism with Israel—barriers Israel had persistently sought to have lifted through bilateral talks—would be lifted.

The Israeli Foreign Ministry usually hawkish in relations with the Arab world, also reacted to the attack in a conciliatory vein. "We won't let such a murder interfere with our desire to move ahead in our relations with Egypt," Mr Sharir said, a spokesman, said.

Over the past two years, two Israeli embassy staff in Cairo have been killed and a further four injured in three separate shooting incidents. In all the cases a little known organisation calling itself "Egypt's Revolution" has claimed responsibility.

Peace process at dead end?

King Hussein of Jordan yesterday told Egypt's President Hosni Mubarak that the peace process had reached a dead end. Tony Walker writes from Cairo.

"We have had a very serious setback or reached a dead end, so to speak, for the time being," King Hussein told reporters after emerging from discussions with Mr Mubarak.

Egypt has been anxious to encourage a reconciliation between the King and Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, after the Jordanian monarch's February statement renouncing joint peace efforts with the PLO leadership.

South Africa stands by for anniversary of Sharpeville

By ANTHONY ROBINSON IN JOHANNESBURG

TODAY, March 21, is a day of commemoration in this country of tragic anniversaries. On this day 26 years ago police opened fire on a large crowd outside Sharpeville police station who were protesting against the hated pass laws. When the shooting stopped the ground was littered with casualties, 69 were killed and 178 were injured.

Every year since blacks, and many whites, have observed Sharpeville Day to honour these martyrs in the struggle against apartheid.

Last year, the 25th anniversary, history repeated itself when police in armoured cars fired on an estimated 5,000 strong crowd of mourners on their way from Langa near Uitenhage in the Eastern Cape, to a funeral of unrest victims in nearby Kwanobuhle. Twenty people were killed and 27 injured. A subsequent enquiry by Mr Justice Kannemeyer



Photo J. M. Seij (Paredor de Sigüenza, Guadalajara)

You'll know you're in Spain from the moment you open your eyes.

In this era of anonymous international-style hotels, it's comforting to know there is a land whose hotels—however sophisticated and elegant—have kept their own national character.

When you wake up to the fragrance of flowers on your patio, the comfort of an oversized pillow under your head, and the rays of the sun striking through the grillwork on your arched window, where else could you be but in Spain? Your hotel room may even be a part of Spanish history. Some of our superb first-class hotels are in ancient castles and convents. It's an indescribable feeling to wake

up in the bedroom of a medieval duke—now of course complete with a luxurious bathroom—the original occupant never dreamed of.

Ring for the chambermaid and receive your immaculate tray, your strong, fragrant coffee, and a genuinely friendly smile.

Mmm—the local breakfast cakes are delicious. Now, what shall we do today? The beaches? The bullfights? Sports, shopping, touring? Or nothing more strenuous than a stroll through the cobbled streets of an ancient village, and a drink in its sunny plaza?

Ah, but it's good to be alive—and on holiday—and in Spain.



Spain. Everything under the sun.

WORLD TRADE NEWS

Laura Ramm in Amsterdam reports on the drive to boost consumer electronics

New future dawns for Philips' disc

A SILVERY compact disc hangs on the horizon in the pre-dawn glow. "The rising sun of Philips," reads the advertisement. "The compact disc—a pure Dutch invention—has become a worldwide success."

The Dutch electronics company is indeed happy with its compact disc. The company reported yesterday that booming sales had put its consumer electronics division in the black and that production was being sharply increased.

Compact disc players are also selling like hot cakes and Philips claims as much as one-quarter of the rapidly expanding \$1.38bn world market. But prices for the players are plunging.

Launched in 1982 by Philips and Sony, as a new kind of hi-fi record, the success of the compact disc has seen the world market for players double annually over the past couple of years. Growth will slow to 10 per cent this year and only 10 per cent next year, due to the price fall.

This has prompted Philips to look in new directions. It hopes to increase sales with a new compact disc player for cars, and a portable compact disc player to be introduced in May. A combination audio-video player is to be launched next year. Philips is also looking for new and better applications for the technology.

When coupled with a computer, the professional compact

disc system offers tremendous storage capacity—one disc stores 200,000 pages of text with high accuracy and durability.

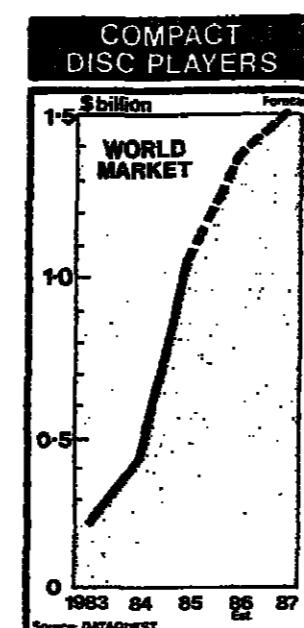
The drawback is that current generations can only read back information stored by the disc maker, such as encyclopedias or catalogues. New generations will allow limited recording.

Philips has reached a number of agreements with foreign companies to expand and speed up the development of the technology.

It has recently reached a standardisation agreement with Sony of Japan, which helped the Dutch company originally in developing the compact disc. The agreement sets standards for the "interactive," or two-way, use of compact disc systems, which will be available by next year. In addition to playing music, these systems can also be linked to personal computers for retrieval of information.

A joint venture has been set up with Kyocera of Japan to develop and market worldwide these two-way systems, designed for home use. This 50-50 joint venture not only aims to expand compact disc applications but also to further Philips's ambitious goal of establishing a foothold in Japan for tackling the Asian and US markets.

The Eindhoven-based company wants Asia to contribute one-quarter of total sales by 1991 and hopes to capture up



Philips hopes to increase sales with a new compact disc player for cars. A combination audio-video player is to be launched next year. The company is also looking for further applications for the technology.

Point think the market will be worth \$4bn by 1990.

• The joint venture with Control Data, the US computer maker known as Optical Storage International (OSI), has been widened. This four-year-old collaboration makes optical disc storage systems that file away information for archival use by businesses such as publishers and law firms. OSI believes the optical storage market could surge to as much as \$1bn this year.

The professional compact disc activities have now been added to the joint venture. In contrast to the compact disc system, the optical storage system allows the user to store his own information such as documents.

One of the primary challenges facing Philips and its competitors such as Sony, Matsushita and Xerox, is to develop new generations of optical systems that will allow changes in the stored information such as Philips' laser vision.

Demand is growing fast for optical discs in music publishing, data storage and video display and Philips and Du

Ikarus set for talks on UK supply contracts

By John Griffiths

A HIGH-LEVEL buying delegation from Ikarus, Hungary's mass-producer of buses and coaches, is to meet about 20 UK component and other product manufacturers in London next week to discuss possible supply contracts.

The information can only be filed once however with no changes later and there are no plans to develop a continuously updated system.

OSI is working on a disc drive that allows erasure and re-recording. The ability to alter records is believed to be of great value for professional users such as hospitals and law firms.

Feeding into OSI will be the jointly arranged by Ikarus-Mogurt, Hungary's foreign trade organisation which markets most of Ikarus' exports, and Robertson International, Ikarus' UK agent.

Ikarus, one of the world's largest bus and coach makers with a production of nearly 14,000 units, recently concluded an agreement with the Kirby Central Group of the UK. Ikarus bodies will be fitted to chassis in one of the UK's six freeports before being finished off in Kirkby's workshops.

A key part of the deal is that Kirkby has the right to sell Ikarus-bodied vehicles to the rest of the EEC.

Ikarus is keen to use its low-cost production base to break into EEC markets. With the UK shaping up as the likely bridgehead, next week's talks are seen as a rare opportunity for UK industrial companies to increase penetration of Hungary's own markets.

Lufthansa and Air France in East German flight talks

By LESLIE COLITT IN BERLIN

AIR FRANCE and Lufthansa, the French and West German state-owned airlines, are deep in controversial negotiations to open scheduled air services to East Germany. The move is strongly opposed by Britain and the US, whose airlines serve West Berlin.

British and American officials in West Berlin and Bonn maintain that regular air services between France or West Germany and East Germany could seriously erode the position of British Airways and Pan Am, which fly between West Germany and West Berlin.

Air France flew Concorde aircraft over East Germany for the first time on Tuesday, landing at Leipzig airport. It was permitted to fly at supersonic speed over East German territory.

On Wednesday a British Airways Concorde also arrived at Leipzig airport and was obliged to avoid West German territory and to enter East German air space from the Baltic sea near Denmark.

Interflug said it was purchasing several Soviet-built IL-62M four-engine airliners in order to be able to continue flying to Western allied rights in their air corridors between West Berlin and West Germany.

Alternative routes circumventing West Germany would entail prohibitive costs. Interflug the East German airline, TU-134s previously used for flights to Western Europe.

Moscow set to save \$10m a year in shipping costs

By DAVID BUCHAN IN MOSCOW

THE Soviet Union will soon start saving some \$10m (£7m) a year in grain shipping costs with the opening of a new Baltic port large enough to take 100,000-tonne cargoes that now have to be reloaded on to smaller ships.

Mr Anatoli Ponomarenko, director of the new port being built just outside the Estonian capital of Tallinn, said that from next year it would be able to handle 5m tonnes of grain and some 500,000 tonnes of citrus and other fragile cargoes.

At the moment, Leningrad could take ships of only 30,000 tonnes and other Soviet Baltic ports were even smaller.

As a result, US and Canadian grain ships have had to offload their Soviet-bound cargoes on to smaller vessels in Hamburg, Rotterdam or Antwerp so that an average extra cost to Moscow of

\$1.70 a tonne, Mr Ponomarenko said.

The port director cited estimates by Leningrad regional planning officials that the new port, being built partly with Finnish and West German help, will pay for itself within four years.

The new Tallinn port is to be developed until the year 2000. Mr Ponomarenko said this month's Soviet Party Congress had confirmed this decision.

The cost of the first stage, to be completed by the end of this year, would be Roubles 260m (£230m).

According to the US Agriculture Department, the Soviet Union imported 55m tonnes of grain in 1984-85 and is likely to import around 34m tonnes in the year ending this September.

The bulk of this will still go through Odessa.

EEC joins row over lawyers in Japan

By Jurek Martin in Tokyo

THE European Community appears ready to take up any slack left by the US in the controversy over the freedom of foreign lawyers to practise in Japan.

This week, the Japanese Ambassador in Washington announced Japan and the US had "settled" their long-standing dispute on the basis of "reciprocity" whereby lawyers from countries such as in the US states which allow Japanese lawyers to practise, as well as granted legal access in Japan.

The Ambassador pointed out that the bill about to be presented to the Japanese parliament would still severely circumscribe foreign lawyers. It is these restrictions which the EEC seems intent on highlighting.

Mr Laurens-Jan Brinkhorst, head of the Community delegation to Tokyo, described the proposed bill as "a symbol of illiberalism."

He warned that the EEC was prepared to make an issue of the legal dispute in international forums, including the new round of the General Agreement on Tariffs and Trade.

He objected to the fact that the Japanese lawyers' federation, Nichibunken, will be given widespread discretionary powers over what foreign lawyers may and may not do—apparently without right of appeal.

He believed the Japanese legal profession had drafted the bill to make it impossible for US legal "factories" (vast law firms) to be established in Japan.

But in so protecting itself, it was also making conditions impossible for lawyers from Europe, which had few large partnerships.

Japanese in move to cut shipbuilding

By Yoko Shiba in Tokyo

JAPAN'S shipbuilding industry, hard hit by falling orders, may set up an anti-recession cartel in fiscal 1987-88, according to Mr Kazuo Maeda, president of the Shipbuilders' Association of Japan.

The cartel will aim to reduce annual output to 3.2m compensated gross registered tons (CGRT), or less than one-third of the 1972-75 peak figure of 9.5m CGRT.

The Ministry of Transport has already set production targets of 4.1m CGRT for fiscal 1985 and 4m CGRT for fiscal 1986.

The industry, however, needs to introduce further output cuts to tide it over the current recession and the sharp fall in the yen's value, which has resulted in a windfall for South Korean shipyards, industry officials said.

The association will seek authorisation from the Fair Trade Commission to set up the cartel.

The Japan Ship Exporters' Association said export orders received in fiscal 1985 were expected to fall below 3m tons for the first time in seven years. Japanese yards received overseas orders for only six vessels totalling 125,150 gross tons in February, bringing fiscal 1985 aggregate orders received by the end of that month to 2.7m gross tons.

The industry association said the Fair Trade Commission would authorise a recession cartel if the industry satisfied four conditions:

- There was a large imbalance between demand and supply;
- Average selling prices fell below average production costs;
- Shipbuilding companies found it difficult to continue business;
- Companies had difficulty recovering from the recession by rationalisation.

HK textile talks break off

TEXTILE trade negotiations between the US and Hong Kong ended in apparent disagreement yesterday with Hong Kong saying US proposals for tougher export controls were "incompatible" with reform of the international trade system, APD reports.

The rebuke was delivered in a brief statement issued by the colony's Trade Department, whose director, Mr Hamish Macleod, headed the Hong Kong delegation in the two days of

IN FUTURE, NORSK DATA WILL CONTINUE TO BE DIFFERENT

SIMPLE: WE PENCIL IT IN.

ND-SAFE—Systems Architecture For Expansion—is the uniquely forward-looking philosophy behind all our systems, from the ultra-powerful ND-500/CX Series, right through to the ND-100 Satellite.

Yet the basic principle—a design discipline we rigorously impose upon every new project—is remarkably simple.

To take an obvious analogy, ND-SAFE is like pencilling-in next year's sales meetings—by which we mean that it leaves plenty of room for manoeuvre.

But how will our 1986 technology face the future?

And since this pencilling-in criterion is applied to every ND hard or software development, any system solution that could ever become obsolete has absolutely no future at all.

It's slightly harder for us.

But a lot easier for the likes of British Telecom, Lloyd's, Saab, the DHSS, the Rutherford Appleton Laboratory and the US Government.

A DATE FOR YOUR DIARY.

We are, it goes without saying, utterly committed to a long future in Britain.

But the painstaking restoration of our Berkshire country-house

headquarters is more than just a symbol of permanence.

It is, on the one hand, a uniquely fertile working environment; and, on the other, a hospitable setting in which to discuss your future needs.

A phone call will furnish information or, if you prefer, set up an initial meeting.

(Your place, or ours.)

How you enter it in your diary is up to you.

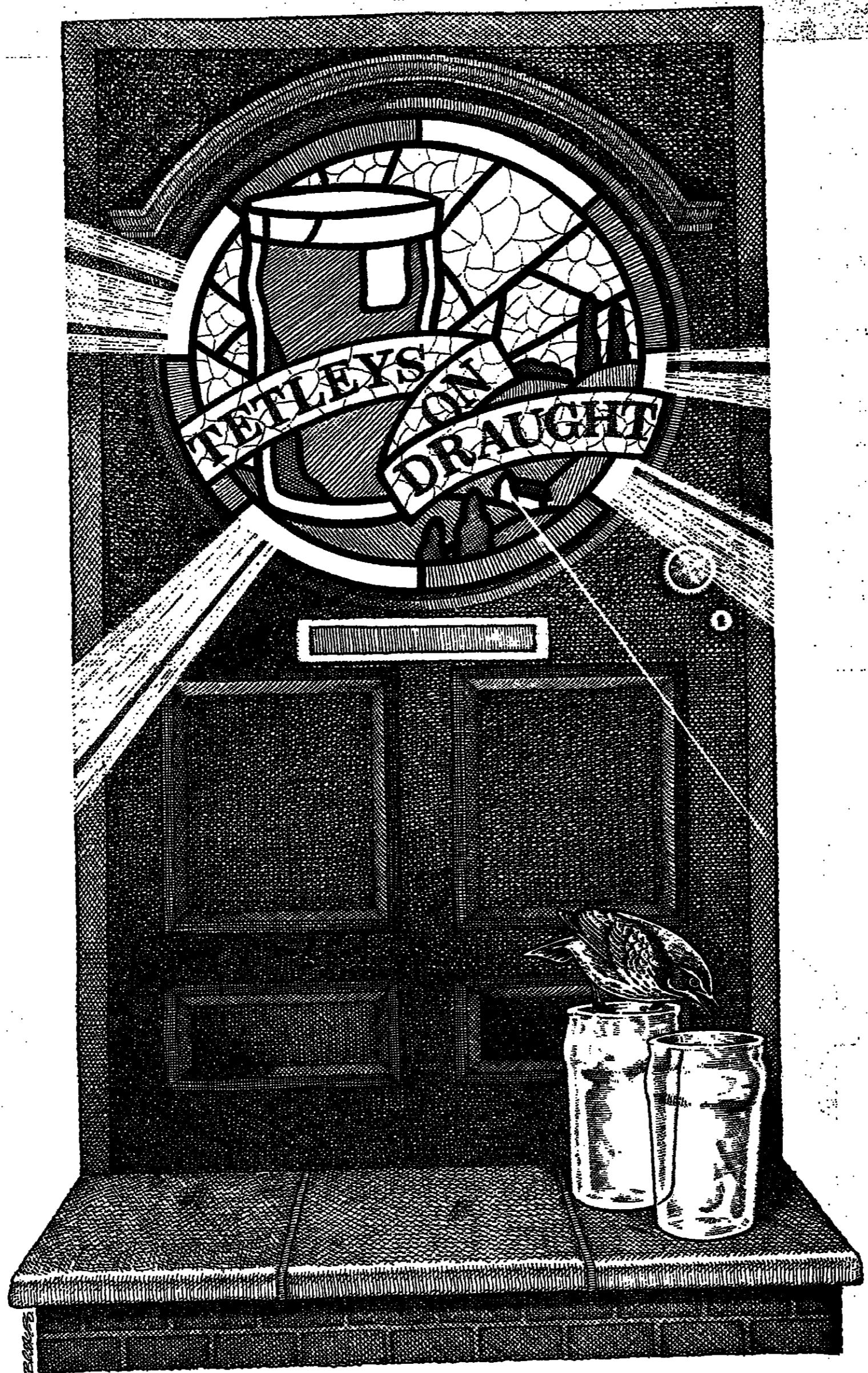


EXTRA EFFORT: THAT'S THE DIFFERENCE.

Norsk Data Ltd, Benham Vale, Newbury, Berks RG16 8LU. Telex: 849819.

Telephone: (0635) 35544

Also at London, Manchester & Edinburgh



Britain's No.1 bitter is now available on draught at No.17 Acacia Avenue.

Take-home bitter is nothing new.

But a take-home draught bitter which stays fresh for days from the moment it's opened, was unheard of. Until now.

Some brewers said it couldn't be done. But, mindful of the rewards to be gained, we at Allied-Lyons stuck to the task.

The beer posed no problem. It picked itself. Tetley is Britain's most popular bitter.

But bringing it home to you took eighteen months, £250,000 and the services of one of the country's leading packaging technologists.

The result. Tetley on Tap.

The best pint of bitter you'll ever drink at home. In an easy-to-carry pack.

Nearly 9 pints of Tetley's, that comes out clear and bright with a full frothy head just like down the pub.

Now we've the technology, we can apply it to other products, like Gaymer's Olde English Cyder.

Allied-Lyons now reach untapped markets. Whether you live up North or down South you can now sup Britain's best-selling bitter at home.

Tetley on Tap is not the only innovation Allied-Lyons have in the pipeline.

In 1985 we launched over 100 new products worldwide. Which is something to write home about.

Allied-Lyons
GOING ON GROWING

NOTICE OF SEVENTH PARTIAL REDEMPTION

THE KINGDOM OF DENMARK

Issue of US\$ 250,000,000 12½% Notes

due February 27, 1992

with 250,000 Warrants to subscribe

12½% Notes due February 27, 1992

Pursuant to paragraph "Redemption and Purchase" of the Terms and Conditions of the Notes, notice is hereby given that as a result of exercise of Warrants, Notes for an additional aggregate principal amount of US\$ 64,000,000 will be redeemable on April 22, 1988 at 101 per cent. of their principal amount, together with accrued interest (i.e. US\$ 97.40 per denomination of US\$ 5,000) from February 27, 1986 to the date of redemption.

The Notes bearing the following serial numbers have been drawn by lot in the presence of a Notary Public and may be presented to Kredietbank S.A., Luxembourg, 43, Boulevard Royal, Luxembourg or to the other Paying Agents named on the Notes:

10685 11585 12824 12824 12827 14855 18128 17428 16933 16014 20285 21077 20561 21407 20841 22405 33232 34265 35672 37778 38754 38519 40199 41431 42367 42885 43863 45904 46595 48129 48931
10686 11586 12825 12825 12828 14856 18129 17429 16934 16015 20286 21078 20562 21408 20842 22406 33233 34266 35673 37779 38755 38520 40200 41432 42368 42886 43864 45905 46596 48130 48932
10687 11587 12826 12826 12829 14857 18130 17430 16935 16016 20287 21079 20563 21409 20843 22407 33234 34267 35674 37780 38756 38521 40201 41433 42369 42887 43865 45906 46597 48131 48933
10688 11588 12827 12827 12830 14858 18131 17431 16936 16017 20288 21080 20564 21410 20844 22408 33235 34268 35675 37781 38757 38522 40202 41434 42370 42888 43866 45907 46598 48132 48934
10689 11589 12828 12828 12831 14859 18132 17432 16937 16018 20289 21081 20565 21411 20845 22409 33236 34269 35676 37782 38758 38523 40203 41435 42371 42889 43867 45908 46599 48133 48935
10690 11590 12829 12829 12832 14860 18133 17433 16938 16019 20290 21082 20566 21412 20846 22410 33237 34270 35677 37783 38759 38524 40204 41436 42372 42890 43868 45909 46599 48134 48936
10691 11591 12830 12830 12833 14861 18134 17434 16939 16020 20291 21083 20567 21413 20847 22411 33238 34271 35678 37784 38760 38525 40205 41437 42373 42891 43869 45910 46599 48135 48937
10692 11592 12831 12831 12834 14862 18135 17435 16940 16021 20292 21084 20568 21414 20848 22412 33239 34272 35679 37785 38761 38526 40206 41438 42374 42892 43870 45911 46599 48136 48938
10693 11593 12832 12832 12835 14863 18136 17436 16941 16022 20293 21085 20569 21415 20849 22413 33240 34273 35680 37786 38762 38527 40207 41439 42375 42893 43871 45912 46599 48137 48939
10694 11594 12833 12833 12836 14864 18137 17437 16942 16023 20294 21086 20570 21416 20850 22414 33241 34274 35681 37787 38763 38528 40208 41440 42376 42894 43872 45913 46599 48138 48940
10695 11595 12834 12834 12837 14865 18138 17438 16943 16024 20295 21087 20571 21417 20851 22415 33242 34275 35682 37788 38764 38529 40209 41441 42377 42895 43873 45914 46599 48139 48941
10696 11596 12835 12835 12838 14866 18139 17439 16944 16025 20296 21088 20572 21418 20852 22416 33243 34276 35683 37789 38765 38530 40210 41442 42378 42896 43874 45915 46599 48140 48942
10697 11597 12836 12836 12839 14867 18140 17440 16945 16026 20297 21089 20573 21419 20853 22417 33244 34277 35684 37790 38766 38531 40211 41443 42379 42897 43875 45916 46599 48141 48943
10698 11598 12837 12837 12840 14868 18141 17441 16946 16027 20298 21090 20574 21420 20854 22418 33245 34278 35685 37791 38767 38532 40212 41444 42380 42898 43876 45917 46599 48142 48944
10699 11599 12838 12838 12841 14869 18142 17442 16947 16028 20299 21091 20575 21421 20855 22419 33246 34279 35686 37792 38768 38533 40213 41445 42381 42899 43877 45918 46599 48143 48945
10700 11600 12839 12839 12842 14870 18143 17443 16948 16029 20300 21092 20576 21422 20856 22420 33247 34280 35687 37793 38769 38534 40214 41446 42382 42900 43878 45919 46599 48144 48946
10701 11601 12840 12840 12843 14871 18144 17444 16949 16030 20301 21093 20577 21423 20857 22421 33248 34281 35688 37794 38770 38535 40215 41447 42383 42901 43879 45920 46599 48145 48947
10702 11602 12841 12841 12844 14872 18145 17445 16950 16031 20302 21094 20578 21424 20858 22422 33249 34282 35689 37795 38771 38536 40216 41448 42384 42902 43880 45921 46599 48146 48948
10703 11603 12842 12842 12845 14873 18146 17446 16951 16032 20303 21095 20579 21425 20859 22423 33250 34283 35690 37796 38772 38537 40217 41449 42385 42903 43881 45922 46599 48147 48949
10704 11604 12843 12843 12846 14874 18147 17447 16952 16033 20304 21096 20580 21426 20860 22424 33251 34284 35691 37797 38773 38538 40218 41450 42386 42904 43882 45923 46599 48148 48950
10705 11605 12844 12844 12847 14875 18148 17448 16953 16034 20305 21097 20581 21427 20861 22425 33252 34285 35692 37798 38774 38539 40219 41451 42387 42905 43883 45924 46599 48149 48951
10706 11606 12845 12845 12848 14876 18149 17449 16954 16035 20306 21098 20582 21428 20862 22426 33253 34286 35693 37799 38775 38540 40220 41452 42388 42906 43884 45925 46599 48150 48952
10707 11607 12846 12846 12849 14877 18150 17450 16955 16036 20307 21099 20583 21429 20863 22427 33254 34287 35694 37800 38776 38541 40221 41453 42389 42907 43885 45926 46599 48151 48953
10708 11608 12847 12847 12850 14878 18151 17451 16956 16037 20308 21100 20584 21430 20864 22428 33255 34288 35695 37801 38777 38542 40222 41454 42390 42908 43886 45927 46599 48152 48954
10709 11609 12848 12848 12851 14879 18152 17452 16957 16038 20309 21101 20585 21431 20865 22429 33256 34289 35696 37802 38778 38543 40223 41455 42391 42909 43887 45928 46599 48153 48955
10710 11610 12849 12849 12852 14880 18153 17453 16958 16039 20310 21102 20586 21432 20866 22430 33257 34290 35697 37803 38779 38544 40224 41456 42392 42910 43888 45929 46599 48154 48956
10711 11611 12850 12850 12853 14881 18154 17454 16959 16040 20311 21103 20587 21433 20867 22431 33258 34291 35698 37804 38780 38545 40225 41457 42393 42911 43889 45930 46599 48155 48957
10712 11612 12851 12851 12854 14882 18155 17455 16960 16041 20312 21104 20588 21434 20868 22432 33259 34292 35699 37805 38781 38546 40226 41458 42394 42912 43890 45931 46599 48156 48958
10713 11613 12852 12852 12855 14883 18156 17456 16961 16042 20313 21105 20589 21435 20869 22433 33260 34293 35700 37806 38782 38547 40227 41459 42395 42913 43891 45932 46599 48157 48959
10714 11614 12853 12853 12856 14884 18157 17457 16962 16043 20314 21106 20590 21436 20870 22434 33261 34294 35701 37807 38783 38548 40228 41460 42396 42914 43892 45933 46599 48158 48960
10715 11615 12854 12854 12857 14885 18158 17458 16963 16044 20315 21107 20591 21437 20871 22435 33262 34295 35702 37808 38784 38549 40229 41461 42397 42915 43893 45934 46599 48159 48961
10716 11616 12855 12855 12858 14886 18159 17459 16964 16045 20316 21108 20592 21438 20872 22436 33263 34296 35703 37809 38785 38550 40230 41462 42398 42916 43894 45935 46599 48160 48962
10717 11617 12856 12856 12859 14887 18160 17460 16965 16046 20317 21109 20593 21439 20873 22437 33264 34297 35704 37810 38786 38551 40231 41463 42399 42917 43895 45936 46599 48161 48963
10718 11618 12857 12857 12860 14888 18161 17461 16966 16047 20318 21110 20594 21440 20874 22438 33265 34298 35705 37811 38787 38552 40232 41464 42400 42918 43896 45937 46599 48162 48964
10719 11619 12858 12858 12861 14889 18162 17462 16967 16048 20319 21111 20595 21441 20875 22439 33266 34299 35706 37812 38788 38553 40233 41465 42401 42919 43897 45938 46599 48163 48965
10720 11620 12859 12859 12862 14890 18163 17463 16968 16049 20320 21112 20596 21442 20876 22440 33267 34300 35707 37813 38789 38554 40234 41466 42402 42920 43898 45939 46599 48164 48966
10721 11621 12860 12860 12863 14891 18164 17464 16969 16050 20321 21113 20597 21443 20877 22441 33268 34301 35708 37814 38790 38555 40235 41467 42403 42921 43899 45940 46599 48165 48967
10722 11622 12861 12861 12864 14892 18165 17465 16970 16051 20322 21114 20598 21444 20878 22442 33269 34302 35709 37815 38791 38556 40236 41468 42404 42922 43900 45941 46599 48166 48968
10723 11623 12862 12862 12865 14893 18166 17466 16971 16052 20323 21115 20599 21445 208

UK NEWS

Beresford offshoot to cease metal exchange trading

BY STEPHEN WAGSTYL

A SUBSIDIARY of the S&W Beresford trading company is to cease trading on the London Metal Exchange (LME) in the wake of the international tin market crisis.

The withdrawal of J. H. Rayner (Mincing Lane) means that five of the 26 companies trading on the LME when the International Tin Council defaulted in October have either already left or have announced plans to leave the trading floor at Plantation House in the City of London.

Unlike the others, however, J. H. Rayner said it would retain its full (ring-leader) membership of the LME and would reconsider its decision to stop trading if the exchange reformed its trading system by bringing in a clearing house.

The company believed that the current system in which traders deal with each other as principals is too risky and needs to be replaced.

Mr Harry Wiltshire, joint managing director, said that while a clearing house would not have prevented the tin crisis it would have limited the damage done. S&W Beresford, which is engaged in a takeover battle, has made provisions of £35m so far to cushion losses - the highest so far announced by any company.

Rayner's decision can only increase the already-intense pressure on the LME to follow almost every other commodities market in the world and switch to a clearing house system.

Traders are divided over the issue but the tin crisis has strengthened

the hand of those who want change, by exposing the shortcomings of the present system. More importantly, the LME is now in a weaker position than before to resist pressure for reform from the Bank of England and from the Securities and Investments Board, the agency being established by the Government to regulate City of London markets.

A special LME committee had been investigating possible changes well before the tin crisis interrupted its work. Mr Michael Brown, LME chief executive, said yesterday that the committee had resumed its study "as a matter of urgency". It is understood that a report could be ready to go before the LME board in the next few weeks.

J. H. Rayner's announcement comes just over a week after the LME authorities closed their tin market for good after the failure to negotiate a settlement with the tin council, an inter-government body, which had defaulted on its £900m gross debt to brokers and banks.

Since then, Henry Bath & Son, an LME founder member, has been taken over by Metallgesellschaft and Philipp & Lion has announced plans to pull out of the ring. Earlier in the crisis, Loncomex completed a previously arranged withdrawal and MMC Metals went into liquidation.

Meanwhile, the ITC yesterday formally abandoned its last vestige of control over the market by scrapping the export quotas it imposed on tin producing countries.

BBC chief opposes European controls

BY RAYMOND SNODDY

MR STUART YOUNG, chairman of the BBC, last night attacked EEC plans which he said would result in the imposition of European-wide controls on broadcasting.

The BBC chairman said that the draft directive in the EEC discussion paper "Television Without Frontiers" would mean "that the EEC Commission was the final arbiter of the programme pattern in every country in the Community."

It was proposed, Mr Young said, that broadcast signals originating in each country should be automatically made available to other EEC countries. A fixed quota of programmes made in the EEC should also be carried on all television schedules.

It was a laudable aim to try to strengthen the European broadcasting industry against an exposure to

an excess of poor quality American programmes, he said.

"But the way to reinforce the broadcasting culture of a continent is to ensure that there is vigorous, responsible and diverse national broadcasting in every country." The BBC chairman argued that broadcasting was not an industry that could be compared with the manufacture of cars or textiles. "Mandatory quotas have no place in radio or television," he added.

The BBC would reflect European issues in its schedules more effectively because of its own editorial sovereignty as an experienced programme-making organisation.

Mr Young said he remained convinced that there was an innate "appropriateness" in the present licence fee as a means of funding the BBC, rather than advertising.

Koffiial comment, Page 29

Court injunction sought by Militant supporters

THE 12 Militant Tendency supporters in Liverpool facing expulsion from the Labour Party yesterday applied for a High Court injunction to halt a meeting due to decide their fate, Fiona Thompson writes.

The application to halt next Wednesday's meeting of the Labour Party's national executive committee (NEC) will be heard this morning by the vice chancellor, Sir Nicholas Brown-Wilkinson, the senior judge of the Chancery Division.

All 12 face the charge of being a member of Militant, which is banned by the Labour Party. Mr Derek Hatton, deputy leader of Liverpool city council, faces the additional charge of abusing Labour Party rules and bringing the party into disrepute.

All 12 are due to appear, one by one, before the NEC. Each will be told what the charges against them are, and given an opportunity to answer each. They will be questioned by the NEC and allowed to make a personal statement.

Four options are open to the NEC - no action, expulsion or suspension from the party, or declaring a person ineligible for party office. The NEC will vote after each of the 12 have appeared.

The 12 applied for the injunction calling for the procedure against them to be stopped "until assurances are given before the court that natural justice will be granted."

MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, is suing Scottish Television and the Glasgow Herald for alleged libel because of coverage of the Daily Record dispute in Scotland.

Scottish Television, the TV contractor for central Scotland, is being sued for £1m by Mr Maxwell for remarks made on a five programme. Scottish Television intends to contest the case.

The Glasgow Herald is being sued for £500,000 by Mr Maxwell for an article quoting Mr Michael Hirst, a conservative MP. This case, too, will be contested.

Mr KI is to install new capacity at Huddersfield to make paraquat, its highly successful herbicide, creating between 25 and 30 new jobs. Paraquat is presently made at Widnes on Merseyside and at a

Shipping groups to switch registry

By David Thomas

FOUR SHIPPING companies have told Numas, the merchant navy officers' union, that they wish to remove up to 25 ships from the UK registry.

The intention is to cut costs by transferring the ships to registries that will allow the companies to avoid paying British taxes and to negotiate new contracts of employment.

This news follows the recent decision by BP Shipping to transfer 30 tankers out of the UK registry.

Mr John Newman, Numas deputy general secretary, said yesterday that these decisions put together mean that about 10 per cent of the UK fleet will have been transferred out of the UK registry so far this year.

Mr Newman said Numas had been approached by Furness Withy about transferring up to 10 ships by Jebsen for about seven ships by Canadian Pacific for about five ships; and by Souters for about three ships.

The new contracts often involve an increase in pay, but worse terms and conditions, with for instance fewer holidays and no pension.

VOLUNTARY REDUNDANCY PROGRAMME REACTIVATED

Ford plants face 1,800 job cuts

BY ROBIN REEVES, WELSH CORRESPONDENT

FORD OF BRITAIN has reactivated its voluntary redundancy and early retirement programme and is looking for between 1,500 and 1,800 job reductions this year.

This emerged yesterday when employees at the Bridgend engine plant were told that 200 jobs are to go and a further 80 will be cut at the Swansea transmission and axle plant, which employs 1,200.

It is the third successive year that Ford has offered the voluntary job cuts programme which permits employees of 55 to retire without loss of pension entitlement and those who volunteer for redundancy to collect about four times the legal minimum payment.

Since 1978 Ford of Britain has cut its total workforce by 37,000 to about 49,000. In the past year the

voluntary programme has cut the hourly paid workforce from 38,348 to 35,603 and the salaried staff from 13,369 to 13,080.

At Bridgend, which manufactures Ford's new "lean-burn" car engines for the Escort and Orion models, the workforce will be reduced to 1,338 when the latest 200 jobs cuts are made.

The Bridgend factory started operating in 1977 and Ford, which was given substantial UK Government aid, estimated at over £100m, said it would employ 2,500. It has, however, never employed more than 1,800.

Kenneth Gooding writes: Mr Sam Toy was yesterday elected president of the Society of Motor Manufacturers and Traders, an appointment which suggests he will not be

leaving Ford of Britain this year as has been expected.

The society insists that its president should be actively engaged in the motor industry but Mr Toy was due to retire as chairman and managing director of Ford of Britain this summer.

It is understood that a compromise has been reached whereby Mr Toy, 62, will take on a non-executive role at Ford, leaving the way clear for a new chairman to be appointed after the company's annual results are published in May.

Mr Toy will serve as president of the society for two years from June. Sir Godfrey McFetridge, chairman and chief executive of Lucas Industries, was yesterday elected to the new post of senior vice president of the society

Allied Lyons offers £100m for Cadbury Schweppes division

BY LIONEL BARBER

ALLIED LYONS, the food and drinks group, has made a firm offer of around £100m for the UK food and beverages division of Cadbury Schweppes, the confectionery and soft drinks group.

The Cadbury board meets today to consider the Allied offer, along with at least two other separate proposals, including an originally favoured £82.5m offer made by the food and beverages division's own management.

The division was put up for sale last January. Its best known products include cocoa, on which the Cadbury business was founded, Smash instant potato, Marvel, the powdered milk substitute, Typhoo tea, and Chivers Hartley jam.

Mr Hugh Culum, group finance director at Cadbury Schweppes, last night confirmed Allied's interest but he said that the group had received more than one outside offer. He declined to name the interested parties. "It is not necessarily the case that the board will make a decision tomorrow."

Austin Rover, which has campaigned for the yearly prefix to be scrapped, indicated it would keep the issue alive in the hope of further change.

For the year ending December 1985, Cadbury's food and beverages division made £13.7m trading profit on £377.5m sales, a static profits performance compared with the £5.6m loss.

Cadbury, having announced the proposed management buy-out before a final deal was signed, now faces a delicate choice between the rival bids for the food and beverages division. Senior management has stressed that it will take into account employment prospects. But, in the event of a substantially higher offer from an outside party, it would also have to consider shareholders' interests.

Last month, the group announced a 23 per cent drop in pre-tax profits to £93.3m, largely due to a £22.5m fall in profits in the group's North American operations, which made a £5.6m loss.

Annual surge in car sales to change

BY JOHN GRIFFITHS

THE ANNUAL spurt in new car sales in Britain, caused by the introduction of a new prefix letter on registration plates, will change next year from August to October.

Sales in August now account for 20 per cent or more of annual sales.

But this surge has led to increasing concern in the motor trade and industry because it causes much lower sales in the preceding months as customers wait for the new prefix letter on August 1.

Mr Nicholas Ridley, the Transport Secretary, said yesterday that this year's new letter - D - would not be replaced for 14 months until October 1 1987. He said this would help manufacturers and enable the vehicle licensing centre to make some savings and improve services.

Trade and industry reaction ranged from support to hostility. The Motor Agents' Association, representing the retail trade, described the decision as "appalling". It said

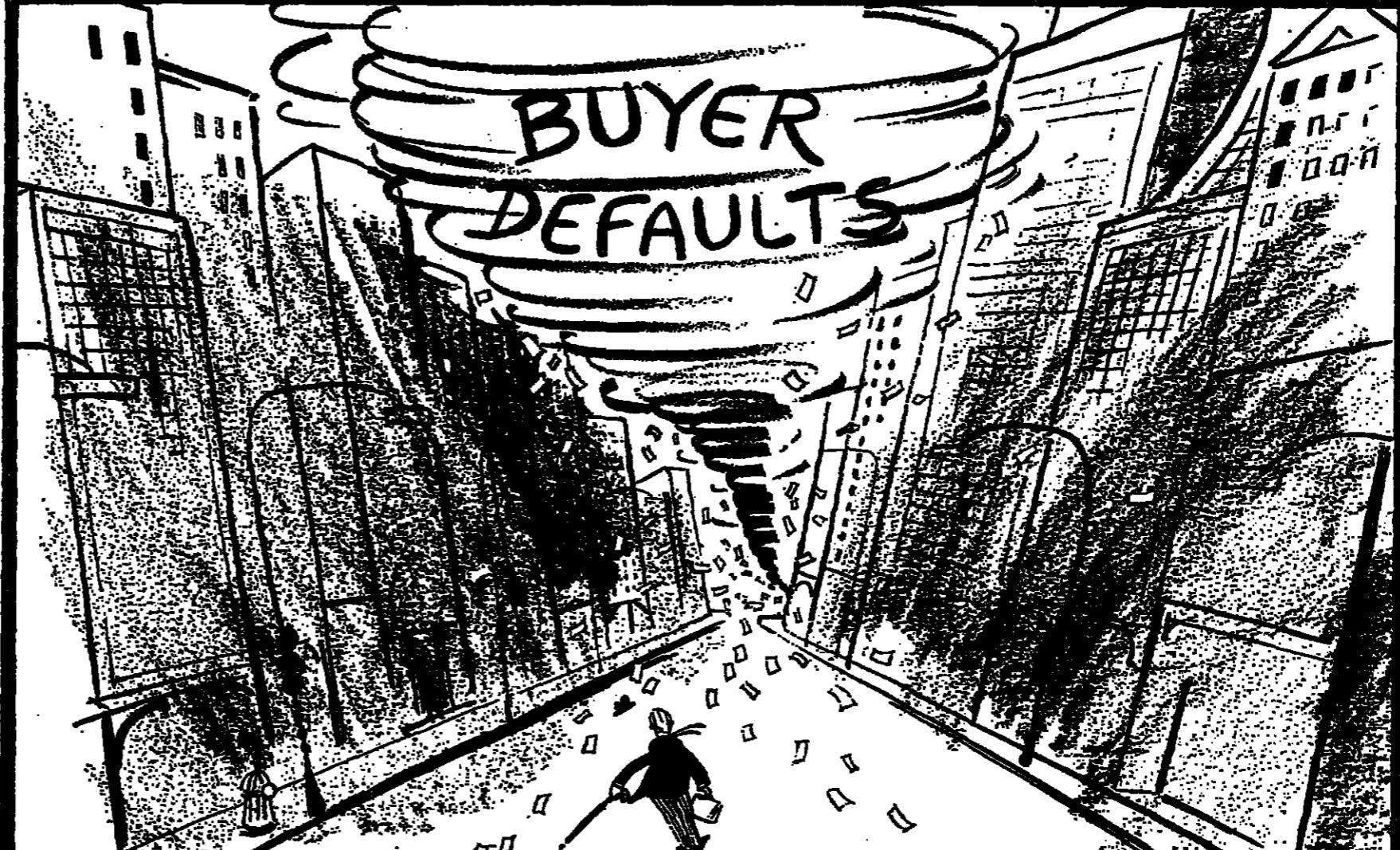
5,000 members had been polled on the issue and many would have preferred a change to July 1.

Ford, however, said it was in favour. It should lead to a smoother sales pattern as it allows smaller bulges would not be as large, thus reducing the cost of stocks.

Austin Rover, which has campaigned for the yearly prefix to be scrapped, indicated it would keep the issue alive in the hope of further change.

For the year ending December 1985, Cadbury's food and beverages division made £13.7m trading profit on £377.5m sales, a static profits performance compared with the £5.6m loss.

Many exporters still consider North America to be a safe place.



The fact is, North America is not the sure bet that some might believe.

World recession has taken its toll even on markets like Canada and the USA, pushing more and more companies into serious financial difficulties.

A measure of this recession can be seen in the level of claims paid by ECGD against defaults by North American companies.

In the three years since 1982 annual payments have increased by a massive 86%.

This volatile financial climate makes it

difficult for the exporter to predict when or if a problem will arise. It does not, however, stop him from protecting himself against the serious financial damage of not being paid.

If you consider all the facts, you can't help but consider ECGD's export insurance schemes. They could make things a lot safer.

For a new policy-holder with an annual export turnover of £5m, with most buyers based in markets like North America and Western Europe, a typical premium for comprehensive short-term credit insurance could be £33,000 or less.

ECGD

Export with confidence.

REGIONS OFFICES: BELFAST 0232 231743, BIRMINGHAM 021 233 1771, BRISTOL 0272 299971, CAMBRIDGE 0223 689201, CITY OF LONDON 01 725 4050, CROYDON 01 680 5030, GLASGOW 041 332 5707, LEEDS 0532 450631, MANCHESTER 061 834 8181.

UK NEWS

THERE WERE few tears last month when Singer of the US decided after 10 years of heart-searching to turf the aged parent out of the family nest.

Wall Street positively cheered. The Singer share price rose almost 20 per cent as soon as New York heard that the 135-year-old sewing machine operation was to be spun off as an independent, separately quoted business.

The move follows a series of disposals over the last decade unravelling a haphazard collection of acquisitions which had taken Singer into mailing equipment, traffic control and even venture capital. The latest development will allow what remains of the group to concentrate on its strengths in the vibrant aerospace electronics trade.

The response was equally enthusiastic across the Atlantic. "In the past we have been dealing with a company with a split personality," says Mr Doug Ash, managing director of European Home Products (EHP), an independent business which has marketing rights for Singer consumer products in a dozen European countries.

"The new company will be totally focused on the business we are in."

Even the competition was pleased. Mr Klaus Eberlein, UK managing director for Pfaff of West Germany, believes concentration on sewing machines by a company with such a depth of experience can only be good for the industry as a whole.

After all, Singer invented the sewing machine. Perhaps more important, the company is credited with introducing the instalment plan and franchised distribution as ways of opening

up a mass international market for what has always been a relatively expensive piece of domestic equipment.

The industry is now setting about reopening that market after a long spell of decline. Britain, Singer's first and most important overseas outlet provides a clear illustration of the twin crises which have overtaken the industry in Europe.

Unit sales of sewing machines in the UK, which peaked about ten years ago at 550,000, have fallen calamitously since the late 1970s to around 250,000 last year.

Far Eastern manufacturers, led by Taiwan, now control a good two-thirds of the remaining market. Britain's last sewing machine factory, on Clydebank, was closed by Singer five years ago.

Sales were badly mauled in the recession and are still suffering in the aftermath. Trade has been hit by a decline in sewing classes in schools, by the increased numbers of women now working outside the home (they have less time for home sewing) and by cheap imports of fashionable clothes.

The industry has also suffered self-inflicted wounds. Mr Eberlein claims that in Britain, specialist dealers were neglected as traditional suppliers followed the example of the Japanese in the 1970s. They plunged cheerfully into mass selling on price through mail order and department stores and even Singer surrendered direct control over its extensive chain of specialist shops in Britain.

Adds Mr Eberlein: "The

customer was never satisfied."

Now, however, the trade has been given new heart by a re-export boom in US sales.

Business in the US took off with the waning of recession and has been driven along briskly by the emergence of the Japanese in the 1970s. They aims to establish a core group of similar shops around the country. By the end of the year and believes there is ample room for further expansion.

Developed along the lines of do-it-yourself supermarkets, they sell everything for domestic crafts from candle-making kits to \$1,000 sewing machines.

Mr Ash of EHP sees a similar pattern developing in the UK and possibly elsewhere in Europe.

The process of adapting the

US crafts supermarket formula to European tastes began on a modest scale in Basingstoke a last month when Mr Ash opened EHP's first company-owned and operated outlet offering a broad range of craft goods.

He aims to establish a core

of similar shops around the

country. By the end of the

year and believes there is ample

room for further expansion.

Developed along the lines of

do-it-yourself supermarkets,

they sell everything for domes-

tic crafts from candle-making

kits to \$1,000 sewing machines.

In Britain—where Singer has seen its market share slip from over 30 per cent 10 years ago to 25 per cent—he is

starting virtually from scratch.

But elsewhere in Europe

the traumatic story of Singer's closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

cent of the UK market and

similar shares elsewhere in

Europe.

Whatever the result of EHP's

efforts in Europe and those of

the new breed of distributors

in the US, virtually all the new

machines sold seem certain to

come from the Far East.

In the past 10 years the

story of Singer's

closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

cent of the UK market and

similar shares elsewhere in

Europe.

Whatever the result of EHP's

efforts in Europe and those of

the new breed of distributors

in the US, virtually all the new

machines sold seem certain to

come from the Far East.

In the past 10 years the

story of Singer's

closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

cent of the UK market and

similar shares elsewhere in

Europe.

Whatever the result of EHP's

efforts in Europe and those of

the new breed of distributors

in the US, virtually all the new

machines sold seem certain to

come from the Far East.

In the past 10 years the

story of Singer's

closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

cent of the UK market and

similar shares elsewhere in

Europe.

Whatever the result of EHP's

efforts in Europe and those of

the new breed of distributors

in the US, virtually all the new

machines sold seem certain to

come from the Far East.

In the past 10 years the

story of Singer's

closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

cent of the UK market and

similar shares elsewhere in

Europe.

Whatever the result of EHP's

efforts in Europe and those of

the new breed of distributors

in the US, virtually all the new

machines sold seem certain to

come from the Far East.

In the past 10 years the

story of Singer's

closure on Clydebank—a works

which used to export almost 85

per cent of its output to the

US—has been repeated all over

the western world.

Europe's problems started in

the mid-1950s when Brother led

the Japanese charge westward.

Ten years later Japan was

producing 4.4m machines a year

and exporting three-quarters of

them. Brother, which

had absorbed the Jones brand

in the advance, has some 20 per

The why behind the who, what and when.

The
Economist

Your weekly view from London of World Affairs, Finance, Science.

UK NEWS



AT ALL MAJOR SPORTING EVENTS
 ©Grand National® Book Room
 @Sandown Park, Epsom, Surrey, GU10 4RZ
 @Goodwood, Chichester, West Sussex
 @Royal Ascot @Henley Regatta
 @Wimbledon @Test Match, Lord's, London
 Grand Prix, Formula 1 racing circuit
 Phone (0432) 263 263 or write to
 EVENTS, Finsbury, London HN1 2BR

CRAWFORD'S
City Changes

The City's only
 deregulated newsletter
 THIRD ISSUE OUT NOW
 Get up to date with what's
 really going on in the City.
 Who's getting up next?
 Who's here? The new
 financial conglomerates
 structuring themselves?
 What can you learn from the
 Japanese securities houses?
 Call Janet Dignan on 01-499
 0753 for your personal copy
 of City Changes and get
 your free Big Bang chart
 showing who's moving
 where, with whom and when.

The Economist
 PUBLICATIONS
 40 Duke Street, London W1A 1DW

This advertisement complies with the requirements of the Council of The Stock Exchange.

Repsteel Overseas Finance N.V.
 (a wholly-owned subsidiary of The LTV Corporation and incorporated
 with limited liability in the Netherlands Antilles)

US\$30,018,000

11½ per cent. Convertible Secured Bearer Notes due May 1, 1996
 (convertible into the Common Stock of, and guaranteed by,
 The LTV Corporation)

Issued in exchange for US\$30,018,000 11½ per cent. Bonds
 due July 1, 1988

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List.
 The Notes will bear interest, accruing from 15th July, 1985, at 11½ per cent. per annum payable semi-annually on
 1st May and 1st November.
 Listing particulars relating to the Notes, the Issuer and the Guarantor are available in the Extel Statistical Service and copies may be obtained during usual business hours, up to and including 25th March, 1986, from the Company Announcements Office of The Stock Exchange and, up to and including 4th April, 1986, from:

Cawsons & Co.,
 12 Tokenhouse Yard,
 London EC2R 7AN

Manufacturers Hanover Limited,
 7 Princes Street,
 London EC2P 2BN

21st March, 1986

U.S. \$100,000,000
 The Sumitomo Trust Finance (H.K.) Limited
 (Incorporated in Hong Kong)
 12½% Guaranteed Notes Due 1992

NOTICE IS HEREBY GIVEN that pursuant to Condition 5(c) of the Notes, US \$1,000,000 principal amount of the Notes has been drawn for redemption on 21st April, 1986, at the redemption price of 101% of the principal amount, together with accrued interest to 21st April, 1986. The serial numbers of the Notes drawn for redemption are as follows:

195 1014 2389 3485 5242 6353 7166 8278 9832 10469 11138 11801 12773 14439 15886 16368 17434 18274 19109
 198 1144 2429 3211 4632 5350 6351 6987 7072 81148 11485 12900 14695 15725 16439 17441 18462 19183
 369 1483 2580 3247 4783 5521 6513 7240 8513 9713 10741 11315 11992 12928 14762 15782 16612 17573 18543 19207
 371 1575 2732 3804 4795 5716 6528 7498 8771 9790 10741 11380 12015 13191 14874 15847 16760 17625 18546 19262
 610 1687 2856 4056 4822 5717 6598 7506 8809 9795 10895 11405 12072 13382 14886 15917 16795 17723 18630 19332
 633 1800 2888 4212 4883 5854 6661 7647 8966 9895 11050 11457 12178 13705 15079 15941 16974 17805 18726 19365
 719 2102 3137 4310 4945 5972 6668 7906 9082 9984 11080 11512 12099 14026 15101 16108 16983 17808 18905 19630
 791 2126 3412 4317 5009 6057 6967 7908 9183 10080 1101 11528 12256 14052 15245 16176 17406 17893 18963 19668
 951 2129 3444 4478 5125 6147 7036 8134 9419 10247 1109 11555 12472 14302 15497 16258 17421 17920 19013 19705
 984 2335 3445 4525 5208 6323 7122 8170 9500 10257 1121 11742 12555 14342 15567 1C261 17427 18080 19037 19733

On the 21st April, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1986 to 21st April, 1986. Payment of the Notes to be redeemed will be made on or after 21st April, 1986 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents mentioned thereon. After 21st April, 1986 US \$20,000,000 principal amount of Notes will remain outstanding.

The Chase Manhattan Bank, N.A., London,
 Fiscal and Principal Paying Agent

21st March, 1986

Special Subscription Hand Delivery
 Service of the
 FINANCIAL TIMES
 EUROPE'S BUSINESS NEWSPAPER
 in

MADRID

For details of how you can obtain your
 subscription copy of the Financial
 Times, personally hand-delivered to
 your door, contact:

International Press Service, Madrid
 Tel: (91) 755 96 48 Telex: 44 784

Wellcome
 cancels
 US drug
 launch

By Tony Jackson

WELLCOME, the drug group which made its London stock market debut last month, has cancelled the US launch of a new drug at the last minute because of side effects.

The drug, an anti-depressant called Wellbutrin, was found to cause seizures among those suffering from bulimia, the disorder of excessive eating. Wellcome is recalling 60,000 bottles of the drug which had been distributed to pharmacists for the launch in a few weeks' time.

The US had been chosen by Wellcome as the first market in which to launch Wellbutrin. The group had been postponed rather than cancelled, and that discussions were now being held with the US Food and Drug Administration which might involve labelling changes, including restricted application for the drug.

Wellbutrin's difficulties are embarrassing for Wellcome, particularly since advertisements for the drug had already appeared ahead of the launch. Even were the drug to be withdrawn permanently, which is thought unlikely, the financial effect would be less serious.

Bank may set rules for
 off-balance sheet risks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE BANK of England expects to recommend detailed capital requirements for banks engaged in financial innovation by the end of this year, according to a discussion paper published today.

The paper, entitled "Off-Balance Sheet Business of Banks", follows closely on a general study of the issue disclosed by the Bank for International Settlements (BIS) earlier this week. It is the culmination of nearly a year's study into the hidden risks that banks are running by engaging in innovative business which does not appear on their balance sheets.

The Bank says it has become particularly concerned about the growth of such business through instruments such as swaps and the underwriting of note issuance facilities.

Last May, when the Bank imposed a capital requirement on Eurozone underwriters equivalent to half that applied to a straightforward loan, it promised a full-scale review of off-balance sheet instruments. All are covered in the new paper.

The Bank lays heavy emphasis on the duty of bank managements to control these activities properly.

The risks arising from most types of off-balance sheet business are in principle no different from those associated with business recorded on the face of the balance sheet," it says.

For the time being, it is not setting any prescribed capital levels and its new paper concentrates on setting out the degree of credit risk associated with different types of new instrument.

Last May, when the Bank imposed a capital requirement on Eurozone underwriters equivalent to half that applied to a straightforward loan, it promised a full-scale review of off-balance sheet instruments. All are covered in the new paper.

The Bank lays heavy emphasis on the duty of bank managements to control these activities properly.

"It will be an explicit requirement of the new banking Act that institutions must have adequate internal control systems and adequate accounting records," it says.

It divides the off-balance sheet instruments themselves into three categories - guarantees and related instruments, contingent commitments and interest rate and foreign exchange related transactions such as debt swaps.

The first of these categories already has a weighting of 0.5 in the risk asset ratio used by banks to calculate their capital needs, but the Bank says that some of them such as documentary credits, value-added tax (VAT) and excise bonds and indemnities for lost documents do not carry the same degree of risk as formal guarantees which are direct credit substitutes.

weekdays and 12.30pm on Saturdays.

Holders of new standard cheque books and most UK Visa credit cards which guarantee cheques will be able to get money.

A charge of 50p will be made for each cheque cashed on weekdays and £1 on Saturdays.

Plea for
 windfall
 oil tax
 rejected

By Iain Owen

A DEMAND by Mr Neil Kinnock, the Labour leader, that oil companies pay a 7.5p increase in petrol duty imposed in this week's budget should be penalised by a windfall tax was described as "a little premature" by Mrs Margaret Thatcher, the Prime Minister, in the House of Commons, yesterday.

She endorsed the view expressed by Mr Nigel Lawson, the Chancellor of the Exchequer, when he announced the tax increase that, given the very substantial increase in the oil companies' margins, there was no need for the price of petrol to be increased at the pumps. She argued, however, that market forces were likely to achieve the desired result.

Mrs Thatcher maintained that if the major oil companies did not hold down their prices they would suffer at the hands of the independent companies who would be able to undercut them.

She said the announcement made by some of the oil companies that they would pass on the full increase in tax to the consumer had already done a "great deal of harm".

Mr Kinnock emphasised that the oil companies would gain an extra £14m a week by increasing their prices and, unless action was taken by the Government, would be "laughing all the way to the bank."

Olivetti plans bigger
 stake in Britain

BY PETER MARSH

OLIVETTI, the fast-growing Italian electronics group, is interested in building up its stake in British technology-based concerns, according to Mr Alessandro Ubaldi de Capel, the company's vice president in charge of operations.

The Italian company, which has an 80 per cent stake in Acorn, the once high-flying Cambridge computer concern which had to be rescued twice last year, yesterday announced a 40 per cent shareholding in TSL Communications, an electronics concern based in Woking, south-west of London.

Olivetti last year took minority stakes in two other small British

computer companies, London-based Butel and Sphinx of Maidenhead.

Mr Ubaldi de Capel was considering taking a stake in other British companies as part of a drive to introduce new technical expertise into the Italian group. Conditions in Britain were particularly good for the growth of companies in technology-based areas, he said.

TSL, which has a staff of 25 people and projects sales for 1986 of about £22m, specialises in data communications software which permits computers to send messages to each other via electronic networks.

TOKYO TRUST S.A.

FINAL DIVIDEND

A Final Dividend of US\$0.08 per share will be payable on 14th April 1986 to holders on the Register on 24th March 1986 to holders of the Bearer Shares against presentation of coupon No. 26 at the Paying Agents:

Singer & Friedlander Ltd
 21 New Street, London EC2M 4HR
 or
 Kreditbank S.A. Luxembourgeoise
 43 Boulevard Royal, Luxembourg

By order of the Board
 TOKYO TRUST S.A.

State Bank of India

State Bank of India announces

that its base rate
 is reduced from
 12½% to 11½% per annum
 with effect from
 March 19th, 1986

Deposit Rates
 are Gross Interest Net Interest
 7 days' notice 8.00% 5.98%
 21 days' notice 9.00% 6.73%
 Interest paid half yearly

Main Office in the U.K.
 State Bank House, 1 Milk Street, London EC2

NATIONAL
 Girobank

National Girobank announces that with effect from close of business 19th March 1986

Base Rate

Its base rate was reduced by 1% to 11.50% per annum

Deposit Accounts

Interest paid on deposit accounts became 5.75% net p.a. (the gross equivalent of which is 8.21% p.a. to a basic rate taxpayer)

10 Milk Street LONDON EC2V 8JH
 Girobank plc

BASE LENDING RATES

ABN Bank	11½%
Allied Dunbar & Co.	11½%
Allied Irish Bank	11½%
Amalgamated Express Bk	11½%
Amro Bank	11½%
Associated Cap. Corp.	11½%
Banco de Bilbao	11½%
Bank Haapoisto	11½%
Bank Leumi (UK)	11½%
BCCI	11½%
Bank of Ireland	11½%
Bank of Cyprus	11½%
Bank of India	11½%
Bank of Scotland	11½%
Barclays Edge Ltd.	11½%
Barclays Bank	11½%
General Trust Ltd.	11½%
Brit. Bank of Mid. East	11½%
Brer. Shipley	11½%
CB Bank Nederland	11½%
Citibank N.A.	11½%
Citibank Savings	11½%
City Merchants Bank	11½%
Clydesdale Bank	11½%
C. E. Coates & Co. Ltd.	11½%
Comm. Bk. N. East	11½%
Consolidated Credits	11½%
Continental Trust Ltd.	11½%
Co-operative Bank	11½%
The Cyprus Popular Bk	11½%
Duncan Lawrie	11½%
E. T. Trust	11½%
Exeter Trust Fund	11½%
Financial & Gen. Sec.	11½%
First Nat. Fin. Corp.	11½%
First Natl. Sec. Ltd.	11½%
HSBC	11½%
Robert Fleming & Co.	11½%
Robert Fraser & Ptns.	11½%

BUDGET OPPORTUNITY

YOUR
 PERSONAL
 EQUITY PLAN

UK NEWS

US retail magnet draws Dee's entrepreneur

THE ACQUISITIVE habits of Mr Alec Monk, chairman of Dee Corporation, yesterday took a surprise turn in other directions when he struck up the £275m offer for the US specialty retailer Herman's Sporting Goods.

The surprise was not only that Mr Monk had turned to North America, rather than bidding for another UK retailer - Woolworth Holdings was the latest speculation which has a staff of 5,000, but also because he was buying a company which was well-managed and profitable.

Mr Monk has emerged in the last year as one of the UK's brightest retailing entrepreneurs by the simple expedient of taking over small grocery chains which were unable to compete in the aggressive market place caused by the recession and turning them into well-run and profitable operations.

Since joining Dee in 1981 (then called Linkfield Holdings), he has established a group of supermarkets trading under names such as International, Galway, Carrefours and Lemons. One recent trade report suggested that Dee now had a 7.4 per cent share of the grocery market - making it the UK's third largest supermarket group after J Sainsbury (11.9 per cent) and Tesco (11.6 per cent).

Mr Monk's takeover manoeuvres saw a lengthy battle for control of the Booker McConnell wholesale group. Dee, however, failed to win this battle last year, thus spurring speculation that Mr Monk was seeking to use his business organisational skills to turn round some other large UK retailer.

Apart from Woolworth, Dee was rumoured to be interested in acquiring British Home Stores before Sir Terence Conran stepped in with an agreed merger with his Habitat/Mothercare group.

Mr Monk made it plain yesterday that his move into the US retail sector had by no means ruled out further expansion in the UK by acquisition. "If a suitable opportunity comes up then we will consider it carefully," he said. But the huge US consumer market clearly attracted Mr Monk like a magnet; he is well aware that if one can get the retailing formula right in the US, then the opportunities are much more numerous than those in the UK.

Mr John Richards, a leading stores analyst with UK stockbrokers Wood Mackenzie, believes that Mr Monk has acquired "a strategic base for further expansion into the North American market

and fitness among Americans makes it an ideal sector.

"When Herman's became available it seemed too good an opportunity to miss," he explains.

Mr Alec Monk, head of the fast-expanding UK retailer Dee Corporation, has caused surprise by bidding for the US specialty group Herman's Sporting Goods. David Churchill reports

William Hall in New York writes: Herman's Sporting Goods was bought by W. R. Grace in 1978 for \$7.5m and has been one of the more successful acquisitions for Grace, the international chemical company which has come under considerable criticism on Wall Street for its costly attempts to diversify out of its traditional specialty chemicals business.

Grace's biggest business remains specialty chemicals but under Mr J. Peter Grace, the 72-year-old grandson of the founder, who has headed the New York-based company for more than 40 years, Grace has grown into a sprawling and not very profitable conglomerate which operates in over 40 countries. Its interests range from animal husbandry to fast food restaurants and oil production.

Over the last decade Grace's sales have roughly doubled to \$7.3bn but its profit record has been erratic.

Last year the company earned a mere \$148.5m, less than it was earning 10 years ago. Grace is the sort of company which attracts the attention of the corporate predators that have been prowling Wall Street over the last couple of years.

Instead, Mr Monk found that bringing financial and management skills to retailing paid dividends. "I'm not a retailer," he readily admits. "First and foremost I run an overall business team who then employ specialist retailers to run our stores activities."

Herman's Sporting Goods will be run by the existing management team with the Dee input - via a small New York office set up earlier this year - providing the capital and expertise for further growth.

Herman is the largest US specialist retailer of sporting goods - such as sports equipment and running shoes - but only has an estimated 3 per cent of a total market worth about \$14bn. The company operates 129 stores under the name Herman's World of Sporting Goods - averaging 10,000 sq. ft. in size - and two discount stores under the name of Total Sports.

Most of the stores are leased and are mainly situated in the populous north-east, mid-west, and mid-Atlantic regions of the US. The company estimates that this gives it a target group of some 25 per cent of the population - or 58m people - who are within reach of its stores.

Apart from Herman's Sporting Goods, Grace owns a national network of home centre stores and a chain of regional specialty stores.

Grace's 860 retail stores account for over a quarter of group revenues but only about 10 per cent of profits.

Retailers optimistic on shop spending

By David Churchill, Consumer Affairs Correspondent

BRITAIN'S retailers and other companies in the distributive trades are optimistic about the outlook for consumer spending in the shops even though sales growth in February was hit by the bad weather.

This is the main finding of the latest quarterly Financial Times/Confederation of British Industry survey of the distributive trades published yesterday. The survey covered some 570 companies and was carried out between 18 February and 10 March.

Sales are still growing rapidly, and 60 per cent of distributors report sales volumes higher in February than a year ago, despite the fact that many parts of the country were snowbound," Mr John Salisse, chairman of the survey panel, said yesterday. "But retailers and whole-salers report that sales growth slowed down slightly in February," he added.

Mr Salisse said the survey indicated that most traders were expecting sales volumes to be up in March, with clothing shops forecasting the largest increase. "Overall, sales continue to be pushed forward by wage rises ahead of the rate of inflation, and the increasing use of consumer credit."

He said the budget measures this week and the interest rate cuts would give further impetus to consumer spending.

Retailers of durable goods - such as washing machines and refrigerators - are continuing to do well, according to the survey. Retailers and wholesalers are continuing to recruit extra staff, although the growth in employment is not as fast as through the second half of the past 12 months. Much of the stimulus to job-creation comes from part-time employment.

One area of concern revealed in the survey was that import penetration continued to increase, although it is now only in line with the level for February last year.

Retailers formed the largest area of response to the survey, with 292 out of the total 570 respondents being retailers. Wholesalers accounted for 228 of the replies which also included 50 motor traders.

Growth in retailers' sales volumes slowed down markedly in February.

Our computers couldn't teach us fan-sett cobbling.

We've built power stations, hi-tech office complexes, laboratories, fast-food restaurants, factories and much more besides.

But it wasn't the hi-tech which was the challenge at Manchester Central Station: it was the low-tech.

From its graceful roof, soaring 85 feet above the ground, to its brick-vaulted undercroft, nothing was ordinary about the project to restore the old railway station as a fine new exhibition and events centre for the city.

For instance, fan-sett cobbling is a skill which the Victorian masons took with them. We had to re-learn

it, together with the intricate brick-laying techniques of dog-tooth detailing, cross-banding with Staffordshire blues, and working with reclaimed stone.

But we are construction men. Though we work in today's world of sophisticated systems, materials and techniques, we draw on an instinct for the job - whatever it is - aiming to make it that much better than anyone else.

This project stretched us. It called on all our modern training and skills, as well as an appreciation of the wit - and whims - of our Victorian ancestors.

In stretching us, we learned, just as we learn with every new job - each different, each with its own set of problems, its own team of people to solve them.

That is the way we like to approach our business.

Today 'G-MEX', as it is now known, will be officially opened by Her Majesty the Queen and Prince Philip. We are proud of our craftsmanship.



**Alfred McAlpine
Construction**

Combined strengths.

The power of modern technology is the power of combined strengths.

NEC is a world leader of long standing in four vital areas: communications, computers, electronic devices, and home electronics.

Our innovative merging of these separate areas isn't surprising if you consider our experience.

More than 30 years in computers, with products ranging from supercomputers to personal computers. Over 85 years in communications, from business communications to satellite communications systems. NEC microwave communication links alone are extensive enough to circle the globe 45 times.

And intensive research and development efforts have made NEC the world's top-ranked producer of the sophisticated semiconductors so crucial to the integration of computers and communications.

Our commitment to an integrated "C&C" - computers and communications - technology provides answers to the networking and office automation needs of modern business. It also brings the power of integrated technology to the home. There are NEC products - from TV sets to home computers - designed to increase your enjoyment and understanding of the modern world.

In all, NEC manufactures over 15,000 products that are used in more than 140 countries. All are part of our integrated C&C technology.

Just as important as our wide range of products, NEC offers an unsurpassed combination of reliability, quality, and innovation. And a determination to make the NEC products you buy today a sound investment for the future.

NEC

INTEGRATED TECHNOLOGY FROM NEC.

THE MANAGEMENT PAGE

How survival became a 'prime motivator'

Maurice Samuelson talks to the general manager of the Kent coalfield

UNLIKE King Canute, George McAlpine has quietly subdued the tide. Not the grey waters under his Dover office window, but the financial losses threatening the Kent coalfield he has managed since the lengthy miners' strike which ended just over a year ago.

With about 1 per cent of Britain's 140,000 miners producing a similar proportion of the country's coal output, Kent provides a good illustration of how, despite the lingering post-strike bitterness, a sharp tactical sense among management can produce dramatic changes in output and efficiency.

In one of the most surprising sequels to the year-long strike, the country's smallest coalfield, with a record of continued losses and intractable industrial relations, is now vying with the most profitable in the country.

McAlpine, a stocky, 55-year-old Scot, refuses to be more than moderately optimistic that this recovery will be sustained, saying it must continue for another full year before Kent's pits might qualify not just for survival but for expansion of their existing capacity.

His doubts are underlined by the continued hostility of the Kent NUM's hard-line secretary, Jack Collins, who says the NCB wants to do away with coalmining in Kent and that only extraordinary efforts by the miners, in spite of management, have prevented this from happening already.

Industrial relations are also strained by the NCB's refusal to reinstate 47 men sacked at Bettleshanger on the day the strike ended.

More arriving in Kent, McAlpine, a fourth generation miner, was chief mining engineer in Scotland where he had clearly been marked out for even greater responsibility.

Kent's biggest asset has always been the quality of its coal—low in sulphur, chlorine and ash—making it particularly suitable for the steel industry, for the Blue Circle cement works at Rochester, the biggest in Europe, and power stations. But seen through management eyes the coalfield seemed to nurse a collective death wish. It was, says McAlpine, "a challenge I could not refuse."

In his first few months at Dover, McAlpine fulfilled the Kent miners' worst suspicions

by proposing to shut Tilmanstone and Bettleshanger collieries. (There was no output at the third, Snowdown, which was developing a new seam.)

The closure threats were taken seriously, he believes, because he made the individual collieries' fate inter-dependent and their workforce was forced to feel responsible for the survival of the coalfield as a whole.

"Fighting for survival," he adds, "can be a prime motivator."

On his arrival, says McAlpine, "the feelings were rather negative." Like some of the Welsh miners, the men of Kent were not motivated by money.

They shrank from the idea of maximising production in their pits and clung to the tradition that miners should "leave a bit of coal for their sons."

Militancy

Unlike at some of the pits in Scotland, where managers are exposing miners to audiovisual presentations on the Board's objectives, McAlpine believes the Kent men would not yet be receptive to such treatment. Instead, communication with the men is carried out in frequent meetings between line managers and groups of about six men.

His management philosophy is based on what he calls "concentration" of men and equipment into the minimum number of coal faces, even though, as he recently explained in a lecture to other NCB officials, this leaves less insurance and less resilience should the system break down.

At Tilmanstone, the management's message got home. By the end of July, its new face was turning coal. "That was the first indication that the manpower—though not the union leadership—would respond," says McAlpine.

The unions immediately demanded that Tilmanstone be withdrawn from the review procedure and be removed from the threat of possible closure. But he refused, saying the change would only be meaningful after three months and the NCB would want the pit to make profits for six months before allowing him to pull it out of the review procedure.

The union leaders, he claims, only began to take his threats



George McAlpine: "It was a challenge I could not refuse"

seriously when, on Thursday October 27, he announced that he was also proposing the closure of Bettleshanger.

The impact was dramatic. By the following Monday, production at Bettleshanger's two faces had shot up by 50 per cent and by the end of the following week it had doubled. Last November, the pit showed a £200,000 profit, its first monthly profit ever, and it has continued to make profits in every subsequent month.

How did it happen? Since there was no alteration in Bettleshanger's mining levels or machinery, McAlpine attributes it directly to the impact on the workforce of the prospect of closure.

In the past, he says, such a proposal might have triggered off a strike but in the present climate the leadership of the workforce obviously felt that the only way to offset the management decision was to put the pit beyond the closure procedure. In the only other way: to provide it with the security associated with being closed.

Colin says the NCB is "talking rubbish" when it claims that the damage to Tilmanstone's faces caused during the strike prevented coal from being produced there for the first five months after it ended.

He also accuses the former South Midlands-based management of having ceased production about five years ago in a profitable area of the pit and—"for no logical reason"—moving to another area of unknown and speculative geology.

The NCB is hopeful that such claims no longer command the credibility of the bulk of the workforce in the Kent coalfield and that some of the other union leaders are also mellowing. But the fact that they can be made at all, and the continued resentment over the 47 sacked miners, indicates the obstacles which McAlpine still faces.

Office planning

Victims of 'laissez faire'

Hazel Duffy on problems of workplace organisation in the UK

HOW FREQUENTLY are you and your colleagues required to move office? Do you find that you have hardly had time to settle in to your new corner before the floor covering is lifted so that a computer terminal or some other piece of electronic office equipment can be wired in? Or that you are asked to give up your own office and move out onto the open plan area because of pressure on space?

New British companies incorporate long range planning into their organisation of workspace, according to a recent survey*, which investigated office management techniques. Twenty two companies took part in the survey, ranging from a finance house employing 230 to a retail and manufacturing group with 60,000 employees.

The researchers picked their companies on the basis that they are "acknowledged leaders" in their field of operation. But their operating achievements were not always matched in the office management area, and the companies themselves were aware of this fact. Some were hesitant about being interviewed, for this reason. Others which were approached refused to take part on the ground of their own inadequacies in this area.

One firm of chartered accountants, which did not take part, admitted that "the way we run our offices is pathetic and amateur". Most, however, were aware of the importance of well-organised offices, not only to the visitor but to the people working in them. "If the environment gets overcrowded and starts to look tatty, it affects staff morale because they feel that their work is suffering," said the manager responsible for the offices of a

rapidly expanding software house. "We are into exciting areas of technology and our offices should reflect this."

Companies with a strong corporate philosophy, or culture, were usually those with the most clearly defined procedures and standards on things such as space standards. All but three of the 22 companies had some form of space standards, some worked out strictly according to the employee's grade. The average for all the companies came out at 134 square feet for managers, 80 for staff categorised as professional, and 88 for secretarial and clerical workers.

In fact secretaries tend to have a good bit over the average (which is pulled down by clerical workers) because they have so much equipment.

British companies, at least for the moment, seem to prefer their methods of discrete responsibility. And the results sometimes, are only too clear to outsiders. Walls of filing cabinets, piles of computer printouts, and a profusion of printing plants are examples of an approach to office management described in the report as "laissez-faire".

Despite the growing importance of buildings as a place where valuable banks of equipment are housed, the responses of some of those interviewed to questions on costs was remarkably amateurish.

Many of the remarks attributed to the companies, however, demonstrate that there is a growing appreciation of the benefits from comfort in the motivation of staff as well as an opportunity to project an image. It is most often apparent when a company moves into a new building, where the lay-outs have been done professionally. The study itself provides some fascinating insights into the way companies think about themselves—but it is confusingly laid out.

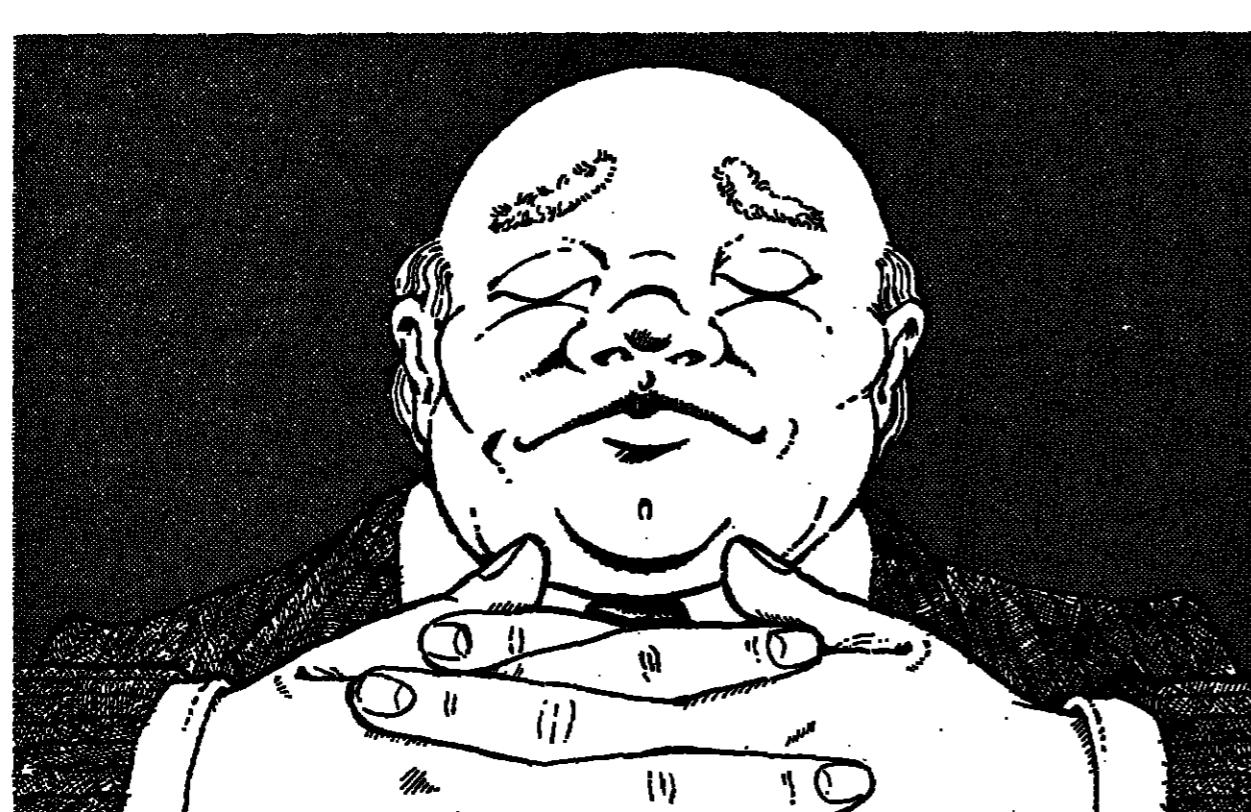
**Published by Building Studies, 8-9, Bulstrode Place, London W1A 5FW. £25.00.*

Centre, London EC2Y 8HB. London, April 23-24. Fee: £300 + VAT. Tel: 01-920 0111 ext 268. Telex: 263896.

The informed manager, London, May 21. Fee: £207. Details from Janice Andrews, conference administrator, Management and Professional Development, The Institute of Cost and Management Accountants, 63 Portland Place, London W1N 4AB. Tel: 01-637 2311 ext 245. Telex: 25816 ICMA.

Regulating and marketing of life assurance and unit trusts, London, April 23-24. Fee: £300 + VAT. Tel: 01-920 0111 ext 268. Telex: 263896.

The management of stress, Bradford, April 28-30. Fee: £270. Details from University of Bradford Management Centre, Post Experience Programme, Hesston Mill, Knaresborough Road, Bradford, West Yorkshire, Tel: 0274 42299.



WHAT DON'T I KNOW ABOUT EMPLOYING GOOD PEOPLE?

As a fair minded employer, you probably try to be reasonable and even handed.

However, when it comes to employing women, ethnic minorities and people with disabilities you need more than just goodwill.

As one of the country's largest equal opportunities employers the GLC/ILEA have experience of the careful plans needed to eliminate inequality in the workplace.

EQUAL OPPORTUNITIES

Any company who sells or works for the GLC/ILEA must be an equal opportunities employer or take steps towards becoming

one. This means we will only buy from firms who can show that they comply with the 1944 Disabled Persons (Employment) Act, the 1975 Sex Discrimination Act and the 1976 Race Relations Act. We call this "Contract Compliance".

FREE VIDEO AND INFORMATION PACKS

To help your company understand Contract Compliance, the GLC/ILEA have produced a video for free hire called "Mind Your Own Business", plus a comprehensive information pack—absolutely free, for your company's use.

Available from CCEO, Freepost, London, SE1 7YY.

Please complete and return the coupon.

FREE VIDEO AND INFORMATION PACK

I would like to know more about Contract Compliance

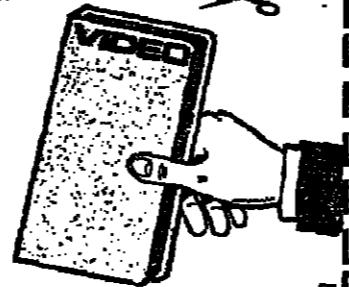
Name: _____

Position: _____ Company: _____

Address: _____

Format Required: VHS Beta U-Matic

ILEA will continue the present GLC/ILEA Contract Compliance Policy.



Universal Securities Co., Ltd.

The Universal Securities Co. Ltd. is pleased to announce the opening of their London Representative Office

UNIVERSAL SECURITIES has an equity capital of 19,977 million yen, (U.S. \$ (m) 111), 53 branch offices in Japan and 2,280 employees. Its volume of securities trading places the company in 14th position in Japan.

As part of our high quality service, our new London office will assure European investors of up-to-date detailed information on Japan and the Far East/Pacific Area. At the same time Japanese investors can receive information of current trends in European investment markets.

Director and Chief Representative: Yasunori Takagi

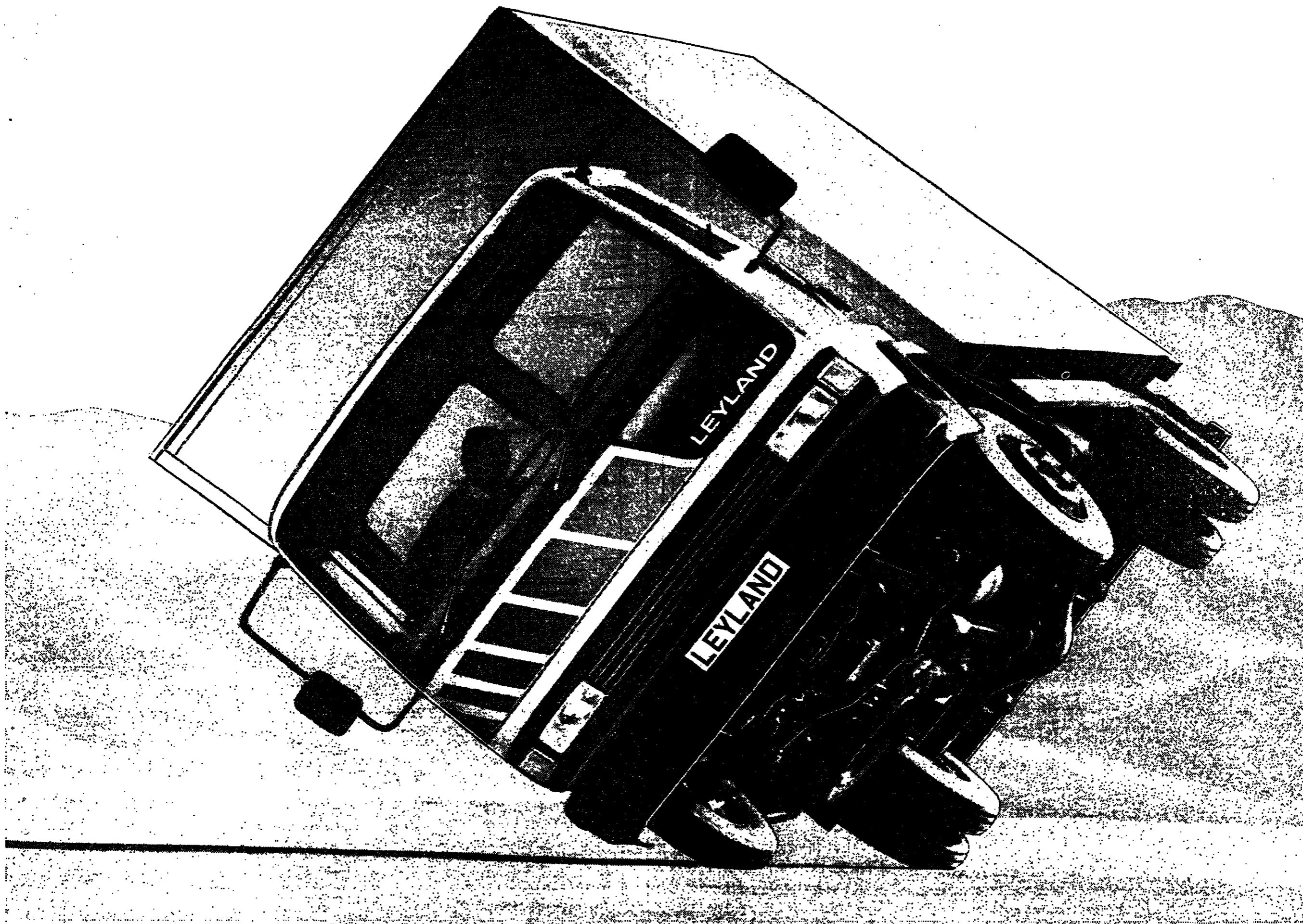
London Representative Office
Level 9, City Tower,
40 Basinghall Street,
London EC2V 5DE
United Kingdom

Telephone: 01-256 5276
Telex: 945791 UNVSEC G
Facsimile: 01-256 7756

HEAD OFFICE

4-2, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100, Japan
Tel: (03) 284-3811 Telex: J25367 Facsimile: (03) 215-3870

The amazing things Leyland have done with trucks.



In 1980 Leyland Trucks invested £62 million in a brand new production plant and an R & D facility that pioneered the use of computers in truck design.

Since then they have renewed their entire product range from 6 tonnes to 250 tonnes, launching a total of 14 new models.

In the past three years they have earned £208 million in exports.

And finally, the most impressive feat yet: over the past year they have sold more trucks in Britain than any other manufacturer.

 **Leyland Trucks**

Leyland leaves other trucks standing.

THE ARTS

Arts Week

F | S | Su | M | Tu | W | Th
21 | 22 | 23 | 24 | 25 | 26 | 27

Theatre

NETHERLANDS

Amsterdam, Bellevue Theatre. English Speaking Theatre of Amsterdam's Own! Entertaining Mr Sloane directed by Gern Coburn. All week except Mon, matinee Sun (24/27).

LONDON

The Scarlet Pimpernel (Her Majesty's): Donald Sinden in a resplendent costume from Baronet. Over a one-man resistance movement to the French Revolution. Opera director Nicholas Hytner's efficient and sparkish production has smoke, tumbrils, rats strew and rolling beds. (934 0225). As You Like It (Barbican): Much improved since last year's Stratford-upon-Avon season, Adrian Noble's loosely Edwardian production now emerges as a secret-garden adventure with Julian Sands as Cesario in the sixties' depiction of Cesario (Vivien Leigh) as Orlando (Hilton McRae). A superb Jacques from Alan Rickman. The RSC Barbican repertoire also includes a fine Othello with Ben Kingsley and, in The Pit, Christopher Hampton's absolutely breath-

taking, numinous version of Les Liaisons Dangereuses (934 8705).

Notes Off [Savoy]: The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (934 8828).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate pushing around. Disneyland, Star Wars and Cats are all influences. Pastiche songs nod towards rock, country and hot gospel. No child is known to have fallen for his money back. (934 5184).

2nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's top-drawing extravaganza has been rapturously received (934 8188).

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trench music is visually startling but classic only in the sense of a rather staid and overblown idea of theatricality. (234 4237).

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trench music is visually startling but classic only in the sense of a rather staid and overblown idea of theatricality. (234 4237).

Der Fliegende Holländer, directed by Mike Ashman and with a cast led by Simon Estes, is paired this week with a revival of an aged Arabella, in which the singing of Lucia Popp and conducting of Bernard Haitink promise most satisfaction (240 1066).

English National Opera, Coliseum: Joachim Her's Parsifal, conducted by Reginald Goodall, continues its run, while Madam Butterfly in its charmless restaging comes to an end with Michael Lloyd taking over in the pit. There is also the return of the ever marketable Mery Widow, in a restaging by Ian Judge and a line-up including Valeria Masterson and Eric Stalling (934 3181).

Royal Opera House, Covent Garden: The Royal Ballet sings the changes on a dull set of ballets and features Giselle.

Opera and Ballet

LONDON

Royal Opera, Covent Garden: A new Der Fliegende Holländer, directed by Mike Ashman and with a cast led by Simon Estes, is paired this week with a revival of an aged Arabella, in which the singing of Lucia Popp and conducting of Bernard Haitink promise most satisfaction (240 1066).

English National Opera, Coliseum: Joachim Her's Parsifal, conducted by Reginald Goodall, continues its run, while Madam Butterfly in its charmless restaging comes to an end with Michael Lloyd taking over in the pit. There is also the return of the ever marketable Mery Widow, in a restaging by Ian Judge and a line-up including Valeria Masterson and Eric Stalling (934 3181).

Royal Opera House, Covent Garden:

The Royal Ballet sings the changes on a dull set of ballets and features Giselle.

PARIS

L'Étoile des Jours: A world premiere, music and text by Edison Denisov, inspired by a Boris Vian novel. The orchestra, which includes two saxophones, electric guitar, jazz piano and drums is conducted by John Barbirolli. Opera Comique

La Chorus Line (Shobert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as guides rather than emotions. (234 6200).

Beethoven: Fidelio's one-hour opera conducted by Jerome Kallmann at 8.30pm at the TMP-Chatelot (423 4444).

L'Orfeo, 3-act opera by Francesco Cavalli. Baroque Music Ensemble, Théâtre des Champs Elysées (4723 4777).

VIENNA

Spartacus: As part of the Vienna 1986 Dance Festival the Bolshoi Ballet is performing The Golden Age; Raymonda (3rd act), Spartacus (2nd act) and extracts from Coppelia, La Fille

Mai Garcia, The Nutcracker, La Bayadère and Don Quixote. The Sleeping Beauty. (33 24/25 55).

Volkoper: Weinberger's Schwanda Der Dädeschkeite, Der Opernball; My Fair Lady (53 24/25 57).

WEST GERMANY

Berlin, Deutsche Oper: Premiering this week is Katja Kabanova, produced by Günter Krämer, with Karajan as Armstrong in the title role. Ootto Enescu, translated by Luca Fontana. Also Renard, a burlesque based on Russian folk-tales by Stravinsky. Both works are conducted by Jan Latham Koenig. (563 329).

NETHERLANDS

Amsterdam, Stadschouwburg, Netherlands Opera production of Arabella by Richard Strauss directed by Lotfi Mansouri, with Ashley Putnam in the title role, and John Brücheler as Mandryka. The Rotterdams Philharmonic conducted by Edo de Waart, dances from the National Ballet (Mon, Wed). (24 21 11).

Frankfurt, Opera: This week's highlight is La Bohème starring Yoko Watanabe as Mimì and Giacomo Aragall as Rudolfo. Conductor is Giuseppe Patané. Also in the repertoire: Orpheus in der Unterwelt and Eugene Onegin (2 56 21).

Cologne, Opera: The Turn Of The Screw, sung in English, is conducted by Sir John Pritchard. Costumes are a Jean de la Porte-Pont's. Cast includes Pilar Lorengar and Alberto Cupido. Il Trovatore has Julia Varady and Juan Pons as leads (51 11 51).

Frankfurt, Opera: This week's highlight is La Bohème starring Yoko Watanabe as Mimì and Giacomo Aragall as Rudolfo. Conductor is Giuseppe Patané. Also in the repertoire: Orpheus in der Unterwelt and Eugene Onegin (2 56 21).

Cologne, Opera: The Turn Of The Screw, sung in English, is conducted by Sir John Pritchard. Costumes are a Jean de la Porte-Pont's. Cast includes Pilar Lorengar and Alberto Cupido. Il Trovatore has Julia Varady and Juan Pons as leads (51 11 51).

ITALY

Rome: Teatro dell'Opera: Concert performance of Gluck's Iphigenie in Tauride, never before given at the Rome Opera. Wolfgang Schedl conducts, and Iphigenie is sung by Elizabeth Connell. (48 17 55).

Milan: Teatro Alla Scala: Bellini's La Sonnambula: a production by the film director Ermanno Olmi with scenery and costumes by Mauro Pano. Giannandrea Gavazzeni conducts, and the young soprano June Anderson makes her Scala debut in the part of Adina. Die Frau ohne Schatten is conducted by Wolfgang Sawallisch with Eva Marton, Britta Fagerström and William Johnson. Jean-Pierre Ponnelle directs and designs the scenery and costumes. Franco Zeffirelli's production of Swan Lake with choreography by Rosella Hightower.

SPAIN

Madrid: Mussorgsky's Boris Godunov features Ruggiero Leonardi and Stefano Tessicchio, Vladimir Atanasiu and Martha Salomé. Production by the Grand Opera of Houston. Teatro de la Zarzuela, Jorvielantes 4 (428 82 16).

Ballet Nacional de España: Spanish Ballet co-presents third repertoire.

Teatro Monumental, Atocha 65 (239 44 44).

NEW YORK

Metropolitan Opera (Opera House): The week features the first seasonal performance of Aida conducted by James Levine with Anna Tomowa-Sintow and Luciano Pavarotti. Sir Peter Hall's production of Carmen is also conducted by James Levine with Maria Ewing in the title role, Catherine Malfitano as Micaela and Plácido Domingo as Don José. Josep Maria Soler and William Christie. Jean-Pierre Ponnelle directs and designs the scenery and costumes. Franco Zeffirelli's production of Swan Lake with choreography by Rosella Hightower.

WASHINGTON

Parma: Teatro alla Scala: Lucia di Lammermoor conducted by Angelo Campani.

New York City Opera (NY State Theater): The company's first musical comedy season kicks off with five weeks of Lerner and Loewe's Brigadoon, conducted by Paul Gemignani in Gerald Freedman's production. Ends Mar 30. Lincoln Center (870 5570).

Naples: Teatro San Carlo: A new production of Simon Boccanegra conducted by Daniel Orna. Renato Bruson not only directs but sings the title role. Also in the cast are

Music

PARIS

Verdi's Le Trouvère in concert version played by Orchestre National de France with Radio France Choir conducted by Riccardo Chailly (Mon). (Theatre des Champs Elysées (4723 4777).

Orchestre de Paris conducted by Erick Leinsdorf with Jessye Norman: Beethoven, Strauss, Hindemith (Mon). Salle Pleyel (4561 0630).

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallé, Bernard Ringeissen, Yoann Haydn, Charles Vocal de la Chapelle Royale, Collegium Vocal de Gent and Orchestre Vocal de la Chapelle Royale, Jennifer Smith soprano, Charles Bretton tenor, John Elwes tenor, Joseph Bernadette Michel Brodard bass and Richard Jackson bass. Bach's St Matthew Passion, Church San Fabiano, Wednesday. Ensemble Vocal et Instrumental de la Chapelle Royale, Charles Champier and Campora.

Church San Pablo Thursday: concert by soprano Lynda Russell, accompanied by Andrew Ball, Purcell, Frescobaldi, Stradella, Hunfrey, Bach, Wolf, Rubbra and Barber.

Church San Miguel 12:30: Orquesta de la Ciudad de Barcelona and Coral Carmena conducted by Antoni Ros Marbà. Church San Pablo (22 89 12).

Barcelona Pianist Carme Vilà: Schumann, Liszt, Palau de la Musica Catalana, Amadeo Vives I (317 99 82).

(Tue).

SPAIN

Ciencia - Festival of Religious Music. European Chamber Orchestra with soprano Sheila Armstrong, with William Vermeulen Quartet, with Nobuko Imai, viola, Schubert, Mozart (Wed). (31 45 44).

Maastricht, Staeggebouw. Chamber music from the Schonberg Ensemble under Reinbert de Leeuw, with Dorothy Durow, soprano (Tue). (21 33 00).

SPANISH

Ciencia - Festival of Religious Music. European Chamber Orchestra with soprano Sheila Armstrong, with William Vermeulen Quartet, with Nobuko Imai, viola, Schubert, Mozart (Wed). (31 45 44).

Amsterdam, Concertgebouw, The St Matthew Passion, with Meindert Boekel conducting the Netherlands Philharmonic, the Royal Christian Oratorio Choir and the Excelsior Singers (Evangelist) and Charles van Tessel (Christ) (Mon, Tue, Thu). Recital Hall 10:30: Reinhardt, violin, accompanied by Rina de Weel, Liszt, Brahms, Stenhammar, Mendelssohn, Dohnányi, Foss (Tue). The Israel Chamber Orchestra, with Emanuel Gruber, cello, Vivaldi, Schoenberg, Boccherini, Liszt, Brahms, Royal Festival Hall (Wed).

Philharmonia Society: BBC Symphony Orchestra and Chorus and BBC Singers conducted by Seiji Ozawa (80 91 26).

Florence, Teatro Comunale: Mozart's Mass in C minor conducted by Edoardo Agnelli with soprano Edith Mathis, tenor Mario Marchini, bass Arthur Korn (Tue, Wed, Thur). (27 92 23).

Rome: Teatro Olimpico: Cleveland Quartet, Beethoven (Tue and Wed). (33 93 45).

Vienna: Teatro Alla Scala: Riccardo Muti conducting Schumann and Tchaikovsky (80 91 26).

Florence, Teatro Comunale: Mozart's Mass in C minor conducted by Edoardo Agnelli with soprano Edith Mathis, tenor Mario Marchini, bass Arthur Korn (Tue, Wed, Thur). (27 92 23).

Barcelona: Teatro del Liceo (32 90 00).

London, Royal Festival Hall (Tue).

Philharmonia Orchestra and Chorus conducted by Andrew Davis, Isabel Buchmann, soprano, Alfreda Hornson, contralto, Madeline Davies, tenor, Jonathan Summers and Stephen Roberts, baritone and Stafford Dean, bass. Elgar's The Apostles. Royal Festival Hall (Mon). (22 89 12).

Barcelona: Teatro del Liceo (32 90 00).

London, Royal Festival Hall (Tue).

Philadelphia: Philadelphia Orchestra conducted by Zubin Mehta (22 89 12).

London, Royal Festival Hall (Tue).

Paris: Teatro alla Scala: Riccardo Muti conducting Schumann and Tchaikovsky (80 91 26).

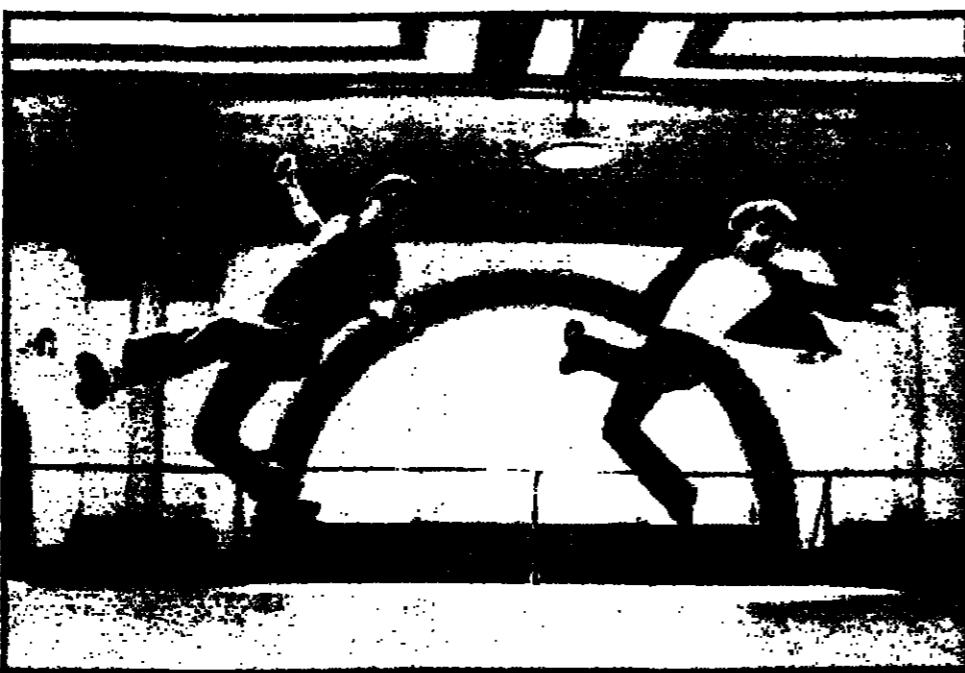
London, Royal Festival Hall (Tue).

</div

THE ARTS

Cinema/Nigel Andrews

Give the dancer a script



Gregory Hines

and Mikail Baryshnikov in "White Nights"

White Nights directed by Taylor Hackford
Return of the Living Dead directed by Dan O'Bannon
New American Films
A.K. directed by Curtis Marker
Rambert

White Nights directed by Taylor Hackford
Return of the Living Dead directed by Dan O'Bannon
New American Films
A.K. directed by Curtis Marker
Rambert

One of the dangers of defecting from Russia today is that you might end up starring in a Hollywood movie. Failing to learn from Verdi's mistake, *Exposure* — where the dancer played a famous violinist forced to bowing a appalling dialogue to bowing the nude body of Natasha Kinski, Mikail Baryshnikov jetés into view in *White Nights*. He plays a ballet dancer who, years after defecting from Russia to America, returns to the USSR involuntarily when his plane to Tokyo crash-lands in a Siberian air base. Will the Russians seek revenge for his defection? Will he escape? And what fresh dance routines can director Taylor Hackford (of *An Officer and a Gentleman*) keep coming up with for his star and co-star (top dancer Gregory Hines), to pad out a slim plot to an un-remitting 2½ hours?

As the film's title intimates, referring to those far-north regions where the sun never sets, the day is very long indeed. Chief fault is the collection of only-in-a-movie plot conveniences and supporting characters which prevent Baryshnikov once he has crooked back into his homeland. First off, he is given a mirror-image "minder", a black American who defected to Russia and whom we first meet, played by Hines (late of *The Cotton Club*), hoofing his way through a Siberian production of *Porgy and Bess*. ("We wanna do West Side Story next," he tells his numbered eponym on opening night).

Then, as our hero is whisked off to Leningrad and woed with offers of star roles at the Kirov — a great propaganda coup for the Politburo if he accepts — he rubs up against KGB mastermind Jerry Skolimowski (narrow eyes, fixed grin and one-note purring menace), a large assortment of rent-a-scowl KGB benchmen and Soviet ex-girlfriend Helen Mirren.

Then, who after 2010 has clearly become Hollywood's first choice for mature but sexy broads who can do a Russian accent.

And so this potboiling treatment of a promising story idea simmers on, through semi-lunatic dialogue ("You're a great dancer. But what a great dancer!"), interminable tap-and-classical dance fits prompted by the two leads, and red-herring suspense set pieces.

Between the film's lively opening and finale, a well-settled air crash, a climactic chase which at last gets our hero off the dance-floor and into a *pas de deux* with destiny, there are only two continuing consolations. One is the work of British cameraman David Watkin, once more (as in *Year!* and *Out of Africa*) conferring magnificent plastic virtues on a piece of Hollywood plastic. The other is Baryshnikov himself, who proves an actor of charisma and hungry inventiveness. He transcends bad dialogue with a wit, mischievous, pliancy and (when necessary) passion that act

almost every other player off the screen. All he needs next time is a good script.

Meanwhile, in Louisville Kentucky, strange things are stirring in a medical supply shop hard by a cemetery and mortuary. Are the living dead returning to life? To judge by the film's title, *Return Of The Living Dead*, they are. To the horror of shop-owners Clu Gulager and James Karen, metal barrels in the basement containing the bodies of US soldiers who "died" in a germ-warfare experiment are now disgorging their reanimated contents.

They leap, they gibber, they are custard-yellow in hue. They are no infections. One bite scratches, and you too are a zombie, indestructible even when sawn into tiny pieces.

And so the merry day wears on. There is mayhem, mutilation, overacting and a hard-to-resist line in over-the-top dialogue. Dan O'Bannon, of *Dark Star* and *Alien*, wrote and directed. And as I long ago predicted in relation to video nasties and their ilk, and the foolishness of trying to restrain them by censorship, if you give a genre enough rope it will finally hang itself from the merry yardarm of self-parody.

* * *

Or it may even, paying out its leash, venture into new regions of tragicomic invention. I have just returned from America, where the chart-topped *Return Of The Living Dead* is House, soon to reach these shores. This is the most encouraging horror film I have seen in years. Although it issues from two vintage gore merchants, being produced by Sean S. Cunningham (who directed *Friday the 13th*) and directed by Steve Miner (who directed the next two follow-ups), it completely transforms the bomb-and-pickaxe style of recent Hollywood horror.

A young thriller writer (William Katt) takes up lone residence in a clapboard-Gothic town house, lately vacated by his aunt who hanged herself, to write a book of memoirs on the Vietnam war. Soon the place is crawling with spooks, and as

flashbacks and fantasies of Vietnam collide with more home-grown ghouls the hero's mind unhinges and so (unless we hold on firmly to our popcorn) does our own. There is little blood and no mutilation; rather a wistful insight of the mind in which the old cheap-penny physical violence has been alchemised into a vivid new psychic poetry.

Also high on the American charts on my visit were new films by Paul Mazursky and Woody Allen. Mazursky's *Domino and Out in Beverly Hills* has been the most successful Hollywood comedy since that other film with *Beverly Hills* in the title. But this Americanisation of Renoir's *Boudu Sauve des Eaux* seems to me disappointingly clunky, and scatter-shot. Mazursky fires everything at us from the dog to the Indian swan to Bette Midler, shawing all movable parts as a seismic LA socialite whose husband Richard Dreyfuss adopts tramp Nick Nolte. The film is offish, over-anxious stuff from the director who once lensed such superlative human comedies as *Blame in Love* and *An Unmarried Woman*.

By contrast, Woody Allen's *Hannah and Her Sisters* is a controlled and hi-fidelity masterpiece. An assortment of characters related by blood or marriage — and played by a starry cast including Michael Caine, Mia Farrow, Max Von Sydow, Sam Waterston and Allen himself — slalom about New York exchanging wisecracks, profundities and nervous breakdowns in a series of self-parody narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's threadbare narrative lines. The debate is left unresolved, the film's evidence poised. What does happen is that through the evening, Richard Griffiths's slumbering testy giant, a grotesque physical inflation of the

bird-like peasant of Sant'Agata, starts to agitated, newly creative life.

Mr Mitchell invents no fact.

As well as the insult, the drained and tired Step

poni of Gemma Jones becomes

the platonic unending affair

with Stoli ("That Teres") is a little cryptic for non-buffs) and uses the stalking of the maestro with the code-named "Chocolate project" as not to snare him again. Ricordi's patience is here hilariously complemented with some tactless approach work by the conductor Faccio, whom David Lyon transforms with a gentle disarming smile like Streepioni who has one single, elegantly constructed monologue.

Julian Mitchell's music drama (by Verdi and a tiny, grim bit of Boito's *Mephisto* show) for Welsh National Opera uses the 16 year gap to compress arguments about the old Italian opera and the new music drama of Wagner. Verdi has had enough of the critics who say he cannot write for singers. Boito between the opening of *Aida* in 1871 and *Otello* in 1887.

After *Aida* succeeds where *Cafe Puccini* fails. It rises above the potted biography and songs from the shows format to say something interesting — in a theatrical form — about Verdi and Boito between the opening of *Aida* in 1871 and *Otello* in 1887.

After *Aida* succeeds where

Cafe Puccini fails. It rises above

the potted biography and songs

from the shows format to say

something interesting — in a

theatrical form — about Verdi

and Boito between the open-

ing of *Aida* in 1871 and *Otello*

in 1887.

After pointing out that

Rossini ruined Shakespeare,

Ricordi is rebuffed by Verdi's

passionate admiration for the

gondolier's offstage song. And

the turning point, of course,

comes with the conductor's echo

of the motherless matinée diva's

Credo — and get the show on

the road.

The play and Howard Davies's

intelligent, imaginative, produc-

tion wrestle all evening with

the notion of whether Verdi did,

in fact, become greater by writing

an integrated score while pan-

dering to our insatiable appeti-

te for the earlier knockout songs,

pegged along Pave's

threadbare narrative lines. The

debate is left unresolved, the

film's beauty is intact, the

turning point, of course,

comes with the conductor's echo

of the motherless matinée diva's

Credo — and get the show on

the road.

The first half ends with a

comic opera version of *Ernani*'s

Act 2 finale, and the operatic

transition then paved with a

wonderful torchlit second half

opening of *Lady Macbeth*'s

sleepwalking scene, thrillingly

sung by Christine Teare. Miss

Teare is joined by three other

Welsh National singers —

mezzo soprano Wendy Marro,

tenor John Harris and baritone

Barry Mervin — with four

alternating colleagues). Their

function admittedly is demon-

strative, but they inhabit the

spirit of the play's argument in

their notably fine singing until

the road.

The evening ends on a

humorous bustle of suggestion

for a comic opera reading

of the text while Mr Griffiths

Falstaffian at last

revolves in a blustering

attack of confused non-co-operation.

It is a brilliant stroke of

invention.

After Aida/Old Vic

Michael Coveney

bird-like peasant of Sant'Agata, muscularly and passionately performed, conforming to Verdi's comically gesticulated demands for complete naturalness on stage. "I hate operatic acting," screams Mr Griffiths, fit to burst and pace with rage.

Whereas *Cafe Puccini* walls in nudging cultural self-congratulation, *After Aida* transcends the dangers of snipe and sing-it cabaret time. The set by Bob Crowley is a stage-full of red plush theatre seats raked up and away from the audience on which the cast loll, smoke and read while awaiting the next item on the menu. The waiting game is itself a visual annotation of the text. Malcolm Storry's flinty, calculating and shambolic Ricordi leading the "Granny's footstep" charade.

My one reservation might be that Gemma Jones looks too much how I would expect Streep to look. The others are all cheerfully inverted, surprising and outrageous versions of the models.

The lighting, very good, is by Jeff Beecroft and the expert piano accompaniment is by Martin André. As a member of the underprivileged majority yet to catch Peter Stein's WNO *Otello*, I would be surprised if this WNO quartet, or Mr Davies's staging of the *Otello* items, was too much shamed in the comparison.

The evening ends on a humorous bustle of suggestion for a comic opera reading of the text while Mr Griffiths Falstaffian at last revolves in a blustering attack of confused non-co-operation. It is a brilliant stroke of invention.

The first half ends with a comic opera version of *Ernani*'s Act 2 finale, and the operatic transition then paved with a wonderful torchlit second half opening of *Lady Macbeth*'s sleepwalking scene, thrillingly sung by Christine Teare. Miss Teare is joined by three other Welsh National singers — mezzo soprano Wendy Marro, tenor John Harris and baritone Barry Mervin — with four alternating colleagues). Their function admittedly is demonstrative, but they inhabit the spirit of the play's argument in their notably fine singing until the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

threadbare narrative lines. The debate is left unresolved, the film's beauty is intact, the turning point, of course, comes with the conductor's echo of the motherless matinée diva's *Credo* — and get the show on the road.

The play and Howard Davies's intelligent, imaginative, production wrestle all evening with the notion of whether Verdi did, in fact, become greater by writing an integrated score while pandering to our insatiable appetite for the earlier knockout songs, pegged along Pave's

FINANCIALTIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telex: Financial Times, London PS4 Telex: 8954871
Telephone: 01-2488000

Friday March 21 1986

Not in front of the public

BY FAR the sketchiest passage in the Chancellor's Budget speech concerned monetary policy. After the briefest attempt to popularise the Treasury's unloved brain-child, M3, he adjusted the Sterling M3 target to match its recent growth rate, made a ringing declaration of unchanged strategy, and passed on the other matters. But even this was too much for his listeners, who cheerfully told him he had been going on too long.

This confirms Mr Lawson's shrewdness in a trivial sense; he clearly showed good judgment in saving up the monetary details for a technical audience in the City next month. In a more serious way, though, it is a disturbing incident. Monetary strategy, originally the centrepiece of Thatcher economics, designed as a beacon for expectations and behaviour, is now so arcane that Parliament cannot be trusted to listen.

The plain fact concealed by this technical bashfulness is that monetary policy is by now in an almost total mess. Monetarism is not, as Mrs Thatcher may have supposed when she adopted it, a single anti-Keynesian cred (Keynes was in fact a superb monetary economist, far subtler than most of his critics), but a school of thought fissured with bitter schisms. All of them seem to be represented among the factions fighting for the Prime Minister's ear. A brief guide to them suggests that the struggle is likely to remain inconclusive.

When the Government took office it inherited and embraced the Sterling M3 target first imposed by Mr Denis Healey. This was originally a target neatly related to the IMF's demands for control of domestic credit expansion, and had the further merit from the point of view of officials that it was strongly influenced by the Government's level of borrowing and success in funding that borrowing. It imposed the discipline of the young men who write brokers' circulars and retains strong nostalgic support at the Bank of England and from the Prime Minister's personal economist, Professor Griffiths.

The trouble with this or any other broad money target is that its growth tends to accelerate when interest rates are raised, because interest-bearing deposits become more attractive. The Government discovered this rather spectacularly in its first period of office. Another of Mrs Thatcher's personal advisers, Professor Walters, we counted our spoons."

Europe rules the airwaves

AFTER Euro-beer and the Euro-pork pie comes the Euro-goggle box. The European Commission in Brussels is sponsoring plans to create a common market for television programmes across the 12-member Community as part of its entirely praiseworthy and overdue efforts to open up the internal market for both goods and services.

To forestall the outcry that usually greets any initiative from Brussels touching the daily lives of people: this is not an attempt to feed everyone the same programmes. Germans will not have to yawn over cricket, nor will the British have to share Sundays with mystical German preachers who preach from 10 till four.

In principle the Commission plan is legitimate proposal to deal with a commercial problem, albeit a politically and culturally sensitive one. The advent of cable and satellite television has ended monopoly for all the states of affairs in which, because of the limited range of the normal transmitter, television was, by and large, restricted to its own cultural and national stage. Even before these innovations, programmes such as the internationally successful drama programmes of the BBC were saleable and, after dubbing, could be broadcast in any number of countries.

Broadcasting thus constitutes an internationally-tradable service. It is an element in the free market for goods and services which the 12 have undertaken to set up.

Overall regime

In the case of goods rather than services, where most progress has been made, the case for free circulation within the Community is easily made. There are economies of scale to be achieved and the choice of goods placed before the consumer can be widened. The same argument can be extended to television programmes. Satellites, cable and access to an international and hence larger audience can achieve economies and augment the viewers' choice.

In all these cases the larger market can be realised only if national regulations with their potentially protectionist side-

THE MOUNTAINS of Arizona are too hot to support much life, but they are sustaining hope in an industry that had been left for dead.

Morenci, the largest working copper mine in the US, has been the scene of a dramatic revival in the fortunes of Phelps Dodge, the biggest US copper producer. After four years of cuts, closures and mounting losses, Phelps Dodge last year produced more copper than ever before and made a profit for the first time since 1981.

Its success was the clearest indication that the US copper industry is making a determined attempt to dig itself out of the pit. After losing nearly \$3bn between 1982 and 1985, the copper producers believe that they can pull through their worst recession since the 1930s.

US copper is proud of the way it has cut its costs from about 90 cents a pound in 1980 to about 65 cents last year, according to Drexel Burnham Lambert. Wall Street stockbrokers are impressed, even astonished. Mr Bill Siedenburg of broker Smith Barney, who had doubts in 1984 about whether Phelps Dodge would survive, says: "They've made me change my mind."

But the industry has had to pay a price, with the loss of 25,000 out of 45,000 jobs since 1980. At Phelps Dodge the cuts came after a bitter strike at Morenci, which split the Arizona mining town in two. Mr Duane Sexton, chief mining engineer, says: "The people here have been through hell."

The agony may not yet be over.

Despite cuts which have reduced primary copper output from a 1981 peak of 1.7m short tons to 1.25m last year, there are real fears that it might fall further. The US Commerce Department forecasts fall to 0.9m tons by 1990.

This does not mean that output is uniformly bleak for all the companies. It is already clear that while the industry's contraction is squeezing some groups out of existence others are faring much better. Mr Jack Duncan, chairman of Cyprus Minerals, says: "These companies which survive are going to make a hell of a lot of money at some point in time. I'm sure I'm going to live long enough to see it."

The companies face a crucial test in the next few months with the renegotiation of long-term labour contracts. One reason why Phelps Dodge made money in 1985 was that it broke ranks with other employers in the last pay talks in 1983 and endured a bitter strike to force through a no-increase settlement. Now Phelps Dodge's rivals, led by Kennecott, intend to make up the lost ground by demanding an unprecedented 30 per cent cut in wages and benefits. "Nobody" rules out a strike.

It is a relatively new experience for US copper producers to live in such hard times. Many senior executives grew up in the heyday of the industry in the 1950s and 1960s when US copper dominated the world market and US copper companies carried real weight in Wall Street and Washington.

Profit and power ebbed away in the 1970s with a slow-down in world industrial growth and the rise of new copper producers — above all, Chile. But it was only in the 1981-82 recession and more particularly in its aftermath that US copper companies realised that the good times had gone for ever.

Board of Trade answers the call

Engraved on the letter box of the Prime Minister's official residence, 10 Downing Street, is "First Lord of the Treasury" — a reminder to Mrs Thatcher and previous premiers who have crossed the threshold of their other ancient office.

Mrs Thatcher will have a brief chance to be an active First Lord of the Treasury today when she attends rare meetings of the department of trade and industry.

The 20th century successors to the original 16th century office-holders who made up the Board of Trade at meeting to bring the issues up-to-date on the nation's affairs.

Their duties cannot be said to be onerous. Indeed it will be to their credit that it will be the first meeting of the Board of Trade to be convened since 1980.

As it is just 200 years since the board was founded, and the order has never been rescinded since, the DTI mandarins thought it would be appropriate to celebrate the anniversary and, at the same time, conduct a little business.

The permanent secretary of the DTI, Brian Hayes, will attempt in the course of a five-minute oration to explain to members precisely what has happened to the British economy since 1980. Other senior civil servants will also have a full five minutes each to explain 136 years of trading and financial development.

If the Board of Trade were to meet regularly it would draw upon a formidable array of talent.

The key objective for the Commission is not to impose some supra-national view about how broadcasting should be organised and regulated in each member country, but to create the conditions in which the new technologies can be fully exploited and consumer choice widened.

An official history of the board called "Shoes, and Ships, and Sealing Wax" published

effects are fitted into an overall Community regime.

One aspect of the Commission plan represents no more than the attempt to achieve for the airwaves what is being attempted already for more earthbound matters. This applies to the Commission proposal for a common technical satellite standard and for fixing maximum times for advertising among other points. One can argue about the details but the principles are broadly correct.

The question of advertising is probably the trickiest because of the large amounts of money to be made there. Denmark is standing out against commercial broadcasting altogether but it is doubtful whether it can protect itself against the advertisers in the long run.

Nothing in the Community proposals would force Danish television to accept advertising. But nothing in Danish law would prevent Denmark putting up a direct broadcasting satellite and beaming programmes to Denmark from a transmitter outside the Community, say in Finland. To deny access to Denmark or any other country, would have to forbid the use of private receiving dishes — which snacks a bit of societies a good deal less democratic than that of the Danes.

The suggestion that European broadcasters should reserve a portion of air time for programmes made in Europe is another matter.

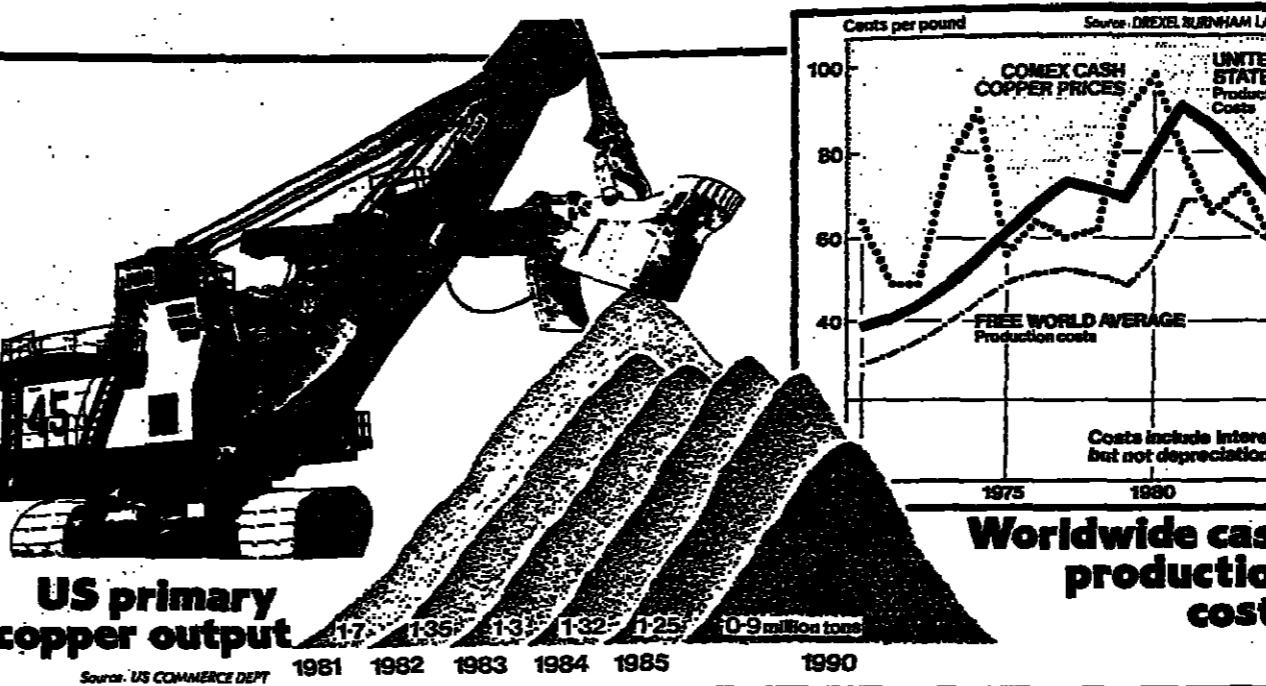
A rule of that sort exists in Canada where it has to some extent protected the jobs of broadcasters, but has not given television overall a specifically Canadian cultural identity.

It is not by this means that a Europe of the mind can be built. Moreover, it is nonsense to pretend, as some might do, that opening up the waves to American staple diet is to expose Europe to low quality pop. Europe is quite able to produce its own mediocrities.

The key objective for the Commission is not to impose some supra-national view about how broadcasting should be organised and regulated in each member country, but to create the conditions in which the new technologies can be fully exploited and consumer choice widened.

Life after death in the US copper industry

By Stefan Wagstyl



smelters close when the 1988 environmental deadline passes, concentrators could go across the border to Mexico. The US would then, ironically, become a supplier of raw materials to the developing world.

Companies have fared very differently in this restructuring. Phelps Dodge has moved fastest, to the surprise of those who regarded it as a timid and even uninspiring group. But with few interests in anything but copper and no rich oil company parent, Phelps Dodge had no choice but to act or go bankrupt.

By contrast, Standard Oil has allowed Kennecott to move more slowly, though it might get restless now BP is tightening its control. The ruthless way in which Arco has broken up Anaconda shows how swiftly an oil company can decide to cut its losses, when under pressure in its mainline business.

Newmont Mining has so far been prepared to support Magma. With a long tradition of diversification — it has interests in gold and energy as well as copper but this has hardly helped the loss-making group since all these metals are depressed.

A common weakness of the copper companies has been the failure to stay in touch with markets. Aluminium companies, particularly Alcoa, have been far more successful in expanding from producing commodity metal into fabrication (even making computer disks) and then diversifying into other materials, including high-technology composites. At the US Bureau of Mines, Mr Lou Souza says: "The copper companies are threatened more by job cuts if they do not get the savings down to a 'rich tradition of marketing and innovation' which the copper companies lacked. To get some \$35,000 a year, they will still be among the best paid US manual workers. But the trade unions do not want to be bullied. At Asarco, Mr Tom Scartaccini, general manager of the Southwestern mining department in Tucson, says: "There might be a strike and there might not. You could flip a coin."

The copper companies are now left with limited room for manoeuvre. Several are expanding their gold prospecting interests. The US companies also remain near the top of the international cost league in copper, their costs uncomfortably close to their selling prices. Mr Mike Cook, of the Commodities Research Unit, says: "The Americans are running very hard just to stand still."

The Commerce Department is gloomy: "The prospects for the domestic copper-producing industry are negative. Imports are expected to increase significantly and could account for more than 35 per cent of consumption by the end of the decade."

But this ominous forecast does not mean the death of US copper mining, especially at a time when a weaker dollar is improving the industry's competitiveness. Mr Souza thinks that even in the long-term there will be room for US producers. "We will still be left with more than 60 per cent of the huge American market in smelting for decades."

As a result, US copper is becoming more international. Japanese smelters are buying mine concentrates from Sierrita and from Cyrus's mine at Bagdad. Phelps Dodge has sold 15 per cent of Morenci to Sumitomo. It is perfectly possible that if more US companies

The absence of a price recovery exposed how uncompetitive the US industry had become in the face of overseas rivals

which was temporarily closed last year.

Management costs were repeatedly cut. Phelps Dodge moved out of four floors of its Park Avenue skyscraper into one. Kennecott executives gave up weeks of holiday. At Magna, a Newmont Mining copper subsidiary, white-collar staff lost their company cars last Christmas.

The industry was forced to tackle difficulties which had been mounting for years: escalating wages and manning levels; burgeoning head office staffs; old mines with low and declining ore grades which compared poorly with those of newly-devastated deposits in Chile and elsewhere; rising smelting costs; boosted underground mining by environmental legislation passed in the early 1970s.

The first move was to close the highest-cost mines and smelters, cut back others and concentrate production on the most efficient sites. About half the country's mining capacity was shut down and seven out of 13 smelters in the US West closed.

Some of the closures would have come anyway — smelters which do not conform with

computers to control the trucks and excavators moving around Morenci. At San Manuel, the last remaining US underground copper mine, Magna is investigating switching from manual to mechanised mining. Some of the modernisation was long overdue — parts of the plant were replaced at Bingham Canyon.

Kennecott modernised its mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

Kennecott modernised its mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

Kennecott modernised its

mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

Kennecott modernised its

mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

Kennecott modernised its

mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

Kennecott modernised its

mines in Arizona. Last month it started a \$400m plan to modernise Bingham Canyon, Phelps Dodge has brought in

environmental standards have to be expensive modernised or closed by January 1988. A few mines had been kept going in the meantime at \$1 a pound. They had been kept going in the hope of ever-increasing copper prices. But other shut-downs were utterly unexpected — none more so than Kennecott's Bingham Canyon mine, smelter and refinery near Salt Lake City

heap-leaching plants are being installed rapidly because the process produces metal at 30 cents a pound or less and the resultant reduction in the average cost of mine output can make the difference between survival and closure.

TROLLOPE & COLLS

Construction Refurbishing Management
01-377 2500

FINANCIAL TIMES

Friday March 21 1986

BELL'S
SCOTCH WHISKY
BELL'S

Eminence grise steps into the spotlight

MR EDOUARD BALLADUR, 58, Minister of Economy with the added responsibility for denationalisation, emerges as far by the most powerful minister in the new French Government, having flanked Mr Jacques Chirac, Prime Minister, throughout negotiations on cabinet-making.

But until yesterday, he was unknown to most Frenchmen. A former secretary general of the Elysée and most recently chairman of two subsidiaries of the CGE electronics group, he is an "eminence grise" whose discretion and diplomatic skills have earned him the name of "the monk".

Quiet and cool-headed, he is the opposite of the excitable and impulsive Mr Chirac. Those who have worked with him describe him as cautious, open-minded, a moderate in his commitment to free-market economics and skilled in his handling of labour issues.

While head of Compagnie Européenne d'Accumulateurs, the CGE subsidiary, he quietly cut back the workforce at the Lille plant, the home base of Mr Pierre Mauroy, then socialist Prime Minister. He also turned the company round from being a loss-making concern to earning a sizeable profit.

But Mr Balladur is best known as a diplomat and a jurist with a Gaullist view of France's place in the world. He has no experience of the French Treasury or of finance. Nor, until his election on Sunday, had he any experience of parliament.

He first worked with Mr Chirac when both men were advisers to Mr Pompidou until his death in 1974. While there, he supported the maintenance of a fixed parity between the French franc and the D-Mark – largely on the grounds that any slippage in the franc would be damaging to French influence.

He only recently joined Mr Chirac's group of inner advisers. But he has long believed – and wrote in 1983 – that "co-habitation" could work.

MR JEAN-BERNARD RAIMOND, 60, the career diplomat named as Foreign Minister, will face the sensitive task of executing a foreign policy born out of compromise between President François Mitterrand and Mr Chirac.

Mr Raimond, who has been

France's ambassador to Moscow since last year, was nominated after Mr Mitterrand turned down the initial suggestion from Mr Chirac that Mr Jean Lecanuet, president of the centre-right UDF party, be given the job.

Foreign affairs and defence are the two key areas which presidents during the Fifth Republic have come to regard as within the policy domain of the Elysée Palace.

Although the right has shown no great desire to change the general thrust of foreign policy from that proposed under the Socialist Government, strains are almost certain to arise.

The US may get an early glimpse of the right's approach when Mr

David Housego, Paul Betts and David Marsh profile the leading ministers in Jacques Chirac's new Government

George Shultz, Secretary of State, visits Paris today. One important foreign and defence policy issue on which Mr Mitterrand and Mr Chirac at least have shown differences is the question of French participation in the US Strategic Defence Initiative research programme.

The outgoing Socialist administration opposed SDI on strategic and political grounds. Mr Chirac – although still cautious about its implications for defence policy – has come out strongly in favour of French participation.

MR FRANÇOIS GUILLAUME, head of the powerful French farmers' union, is the Minister of Agriculture and thus should send shivers down the spines of Eurostars in Brussels and among France's other community partners.

Mr Guillaume, a milk farmer from Lorraine, has long been one of the most virulent lobbyists for French farming interests. As secretary general of the FNSEA, the French farmers' union, he has been the head of an immensely strong lobby of 700,000 farmers.

At the FNSEA, Mr Guillaume, 53, is known as the "Kaiser". He is also often called "Guillaume l'indomptable" or "William the untameable", because of his tough attitude to negotiations and his readiness to mobilise his "troops" and send them in the streets when necessary.

French farmers have become experts at orchestrating protests, especially Community farm policies, blocking motorways, burning tyres and straw bales, invading towns in convoys of tractors.

Mr Guillaume, a milk farmer from Lorraine, has long been one of the most virulent lobbyists for French farming interests. As secretary general of the FNSEA, the French farmers' union, he has been the head of an immensely strong lobby of 700,000 farmers.

At the FNSEA, Mr Guillaume, 53, is known as the "Kaiser". He is also often called "Guillaume l'indomptable" or "William the untameable", because of his tough attitude to negotiations and his readiness to mobilise his "troops" and send them in the streets when necessary.

French farmers have become experts at orchestrating protests, especially Community farm policies, blocking motorways, burning tyres and straw bales, invading towns in convoys of tractors.

His success in taking the CEA by the scruff of its neck in 1970 and building it up into what is today one

academy, has won his spurs in his political and industrial career as a classic champion of French national independence.

As head of the Commissariat à l'Energie Atomique (CEA), the atomic energy commission, between 1970 and 1978, Mr Giraud presided over the rapid build-up of the French nuclear power programme which now provides two thirds of the country's electricity.

He was elevated to industry minister after the 1978 general elections and expanded his reputation during the last three years of President Valéry Giscard d'Estaing's administration as a tough-minded and interventionist technocrat.

During his five years in opposition the Right has taken a conspiratorial tilt towards laissez-faire economics. But Mr Giraud and his team of Ministry officials left even strong-minded company chairmen in no doubt who was running France's industrial strategy.

Mr Giraud developed a taste for injecting funds into high technology sectors. But Giscardian industrial policies left the incoming Socialist Government in 1981 with a string of lame duck groups to deal with areas like textiles, paper and chemicals.

With a white, pencil moustache and an acerbic turn of phrase Mr Giraud has divided his time recently between teaching at the Paris Dauphine university and building up a following as an oil market consultant.

His success in taking the CEA by the scruff of its neck in 1970 and building it up into what is today one

mist like Friedrich Hayek or Milton Friedman as important influences on his ideas.

Just turning 40, Mr Madelin has also made his mark in the National Assembly because of his provocative debating style – he is a barrister by training. He is a workaholic who is understood to master his dossier quickly and skilfully. He is also a man with enormous stamina for prolonged parliamentary battles. Indeed, Mr Madelin was one of the leading voices on the right against President Mitterrand's return to power in 1982 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

Mr Pasqua comes from Corsica and the SAC, with its roots in the sometimes sordid world of crime and gangsterism in the south of France, was said by the Elysée in 1982 to have been involved in "affairs of blood, affairs of money and affairs of secrets". As its representative in the new Chirac team, Mr Pasqua is a most unlikely candidate for peaceful cohabitation with Mr Mitterrand.

In practice even so conservative an accountant as Britoil has capitalised exploration expenditure of upwards of £200m. As appraisal and development recede into the future some of this must be written off through the revenue account.

There may be some release of deferred tax provisions made redundant by the fallen oil price. But that is not a cash item while last year's corporation tax and PRT most certainly are.

Britoil would probably be unwilling to maintain a dividend only just covered by earnings. With the prospect of substantial cash outflow and one of those funny net debt positions unless the oil price recovers, Britoil will probably cut it.

At 18p, down 7p, Britoil yields 10% per cent on a maintained dividend. Against a single-figure yield on short-dated gilt-edged, the Britoil share price has yet to discount a lower dividend.

Following a period when Dee has been out of the takeover game and its share price has been left by the wayside, the effect of buying Herman should be positive. Like previous deals, moreover, it seems calculated to enhance Dee's freedom for further action.

On very low actual tax Dee could earn over 21p a share this year –

Chirac, has now been appointed Interior Minister in one of the most controversial of the appointments.

In an effort to ensure relative harmony in the new and difficult relationship between the president and the administration Mr Mitterrand was thought to have tried to prevent the nomination of men who had too vehemently criticised him in the past.

Mr Chirac, however, seems to have been determined to bring in his long-time ally in a key post.

Mr Pasqua has a diverse career behind him. The son of a police officer – likely to ease his entry into his new ministry – he will bring firm views on law and order and on controlling immigration into his new job.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a private detective, executive with the Pernod drinks group and most controversially a senior figure in the now-outlawed Civil Action Service (SAC). The group, set up shortly after General de Gaulle's return to power in 1958, was dissolved in 1962 after the Government ruled it was a private militia.

In his time Mr Pasqua has been a

SANDVIK

USD 6 1/4% Convertible Bonds
Due 15th March, 1988

Notice of Adjustment

Notice is hereby given to the holders of the above-mentioned bonds that the Board of Directors of Sandvik Aktiebolag will propose to the Annual General Meeting of the Company to be held on 15th May, 1986, a subdivision of the Company's A shares and B shares entailing a reduction in the nominal value of the shares from SEK 100 per share to SEK 25 per share and the issue to the holders of A shares and B shares, pro rata to their holdings, of new A and B shares free of payment by way of bonus issue in the proportion of one new A share for every 3 A shares and one new B share for every 3 B shares held. Bonds in respect of which the conversion date falls after the date of this notice will be dealt with in accordance with Condition 7(D) (iii) of the bonds until the day after the Record Date for the issue, the latter day being proposed to be 23rd June, 1986.

Accordingly, any new B shares issued as a result of conversions between the date of this notice and the day following the Record Date will not rank for the bonus issue, but converting bond holders will be entitled to receive the appropriate number of additional new B shares, plus a cash payment in respect of fractions (if any) after the day following the Record Date.

21st March, 1986 SANDVIK AKTIEBOLAG

U.S. \$100,000,000

B.B.L. International N.V.
(Incorporated with limited liability in The Netherlands
and having its statutory seat in Amsterdam)

Floating Rate Notes Due 1993
Guaranteed on a Subordinated Basis
as to payment of principal and interest by

BBL

Banque Bruxelles Lambert S.A./
Bank Brussel Lambert N.V.
(Incorporated with limited liability in Belgium)

In accordance with the provisions of the Notes, notice is hereby given, that for the Interest Period from October 17, 1985 to April 17, 1986 the rate for the final Interest Sub-period from March 21, 1986 to April 17, 1986 has been determined at 7 1/2% per annum, and therefore the amount of interest payable against Coupon No. 2 on the relevant interest payment date April 17, 1986, will be US\$4,003.65.

The Chase Manhattan Bank,
N.Y., London, Agent Bank

March 21, 1986



John Fairfax sees decline at pre-tax level

By Our Sydney Staff

A DECLINE in earnings from television and a rise in interest charges held John Fairfax, the Australian media group, to a 2.4 per cent increase in net profits from A\$24.8m to A\$25.4m (\$US18.1m) for the December half-year.

At the pre-tax level earnings receded from A\$46.3m to A\$44.3m, with a reduction in the tax rate resulting from allowances for recent capital spending allowing the modest increase in net profit to emerge.

Total group turnover was 1.3 per cent up at A\$40.2m.

The company is effectively increasing its dividend by 18 per cent, with an interim payment of 5 cents a share.

More Jordanian banks show depressed results

By RAMI G. KHOURI IN AMMAN

TWO MORE Jordanian banks have reported a drop in profits for 1985, confirming that the country's banking sector continues to suffer from the three-year-old economic slowdown in the Arab region.

The Jordan national bank (Al-Ahli bank) has reported pre-tax profits of Jordan dinars 2.04m (\$5.3m) an 18 per cent decline from 1984. The bank is drawing on its inner reserves to maintain a dividend of 18 per cent.

The bank's group balance sheet, including branches in Jordan and Lebanon, increased last year from JD 131.6m to JD 135.5m.

The Bank of Jordan has also

reported marginally lower 1985 pre-tax profits of JD 1.8m, a 4.5 per cent drop from the previous year. It will also draw on reserves to maintain a dividend of 18 per cent.

The latest result was after a 1.5 per cent increase in net interest charges to A\$5.8m and a 0.25 per cent rise in depreciation to A\$12.6m. That was up 27 per cent to A\$14.8m.

The dividend is unchanged at 5.5 cents a share on capital increased by a one-for-ten bonus issue last year.

Kirin Brewery lifts net by 23.7%

By Yoko Shiba in Tokyo

KIRIN BREWERY, the largest brewer in Japan with more than 60 per cent market share, lifted unconsolidated pre-tax profits 10 per cent to Y7.32bn (\$41.4m) in the year to January. Net profits surged 23.7 per cent to Y3.185 on sales of Y1210.86bn.

The directors are confident of an increase in earnings for the full year and said preliminary forecasts for 1986-87 suggested opportunity for further growth.

The company is to make a one-for-four bonus issue with a 7.8 cents a share interim dividend payable on the increased capital. A 16.5 cents a share total has been forecast for the year—an increase of 17 per cent.

Siemens sales down 20% after 5 months

BY JOHN DAVIES IN FRANKFURT

SIEMENS, the West German electrical, computer and telecommunications concern, has further increased its sales revenue in fields other than its fluctuation-prone power station business.

The company told shareholders at the annual meeting in Munich yesterday that, excluding power station work, sales were up 4 per cent in the first five months of the financial year to the end of February.

Domestic sales were up 13 per cent on a year ago, while sales revenue abroad was down 3 per cent as a result of the lower US dollar.

However, in the absence this year of large final payments for long-running nuclear power station projects, the group's total sales revenue in the first five months was 20 per cent down on a year earlier.

Siemens has already indicated that sales revenue this financial year should drop to about DM 56bn (\$22.1bn) compared with DM 54.8bn in 1984-85 and DM 45.8bn in 1983-84. Excluding power station business, however, sales are expected to continue their momentum with a rise of about 5 per cent this financial year.

New orders overall were down 14 per cent in the first five months of this financial year, but excluding power station business, orders were only slightly lower—with the West German market producing 7 per cent more business and foreign orders falling 8 per cent.

Mr Karlheinz Kasko, the chief executive, said that the company aimed to maintain profitability by keeping its earnings-to-sales ratio at 2.8 per cent.

Hitachi Zosen may be forced to omit dividend

BY OUR FINANCIAL STAFF

HITACHI ZOSEN, the large Japanese shipbuilder, may not pay a dividend this year because of the prolonged recession in the industry. Officials said it had become "extremely difficult" for the company to pay the dividend under the present circumstances. For the year ended March 1985, it paid Y5 a share.

Many Japanese shipbuilders have been incurring losses because of ship oversupply and the yen's sharp appreciation since last September. The Japan Shipbuilders Association is understood to be considering seeking government permission to form an anti-recession cartel in an attempt to weather the slump.

Hitachi Zosen officials said they have not made a formal decision to pass the dividend but indicated they may have to do so soon. The company is understood to be facing a loss for 1985-86.

Earlier this year, another major shipbuilder, Kawasaki Heavy Industries said it may be forced to omit its dividend.

Fletcher Challenge rural merger

FLETCHER CHALLENGE, the diversified New Zealand forest products group, and Crown Corporation, the agricultural services group, plan to merge their rural divisions into a firm which will be a subsidiary of Fletcher Challenge.

The new company will have combined assets of NZ\$650m (\$US346m), according to a Fletcher Challenge official. No other details were released.

F.W. THORPE P.L.C.

(Manufacturers of "Thorlux" quality lighting equipment)

UNAUDITED RESULTS FOR THE HALF-YEAR TO 31 DECEMBER 1985

	Half-Year to 31st December 1985	1984
Turnover	3,612,750	3,149,075
Trading profit	435,495	342,483
Interest received	144,413	107,880
Profit before taxation	582,499	499,763
Taxation	233,800	202,393
Profit after taxation	349,499	247,370
Interim dividend at the rate of 1.80p per share (1.40p)	55,274	42,991
Retained profit	294,225	204,379
Earnings per share	11.38p	8.06p
Payment date	14 May 1986	15 May 1985

The exceptionally high increase of the interim dividend is to reduce the disparity between the interim and final dividends and must not be taken to infer that the final will be increased proportionately. Our order book is strong and there is every indication that the full year will again show satisfactory progress.

ALL NIPPON AIRWAYS CO., LTD.

(Zen Nippon Kyoukai Kaihatsu)

GUARANTEED FLOATING RATE NOTES DUE 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

Guaranteed Floating Rate Notes Due 1991

£50,000,000

ALL NIPPON AIRWAYS CO., LTD.

INTERNATIONAL COMPANIES and FINANCE

William Dullforce reviews the rapid growth and future strategy of a Geneva-based banking group

Pargesa explodes on to the world financial scene

THREE last five years have resembled an eruption in Pargesa's history. After slumbering in anonymity for 23 years, in 1981 the Geneva-based holding company became the instrument by which a group of Northern American, Belgian and Swedish companies snatched the international operations of France's Banque Paribas from nationalisation by President François Mitterrand's incoming socialist government.

Its capital in 1981 was SFr 50,000 (\$26,000), today it is SFr 83m, assets total over SFr 1bn and market capitalisation is SFr 1.5bn. Annual growth in earnings has averaged 35 per cent since 1982.

Consolidated accounts, published for the first time last year, gave a clearer picture of the complicated group, assembled by Mr Albert Frère and Mr Gérard Eskenazi, the joint managing directors. This duo form the dynamic for a group, whose swift development parallels that of the global financial market and is shaped to exploit it.

Mr Frère, who began his working life as a steelmaker in Belgium's Charleroi district,

and Mr Eskenazi, a banker who learned his business with Paribas, have known each other for 20 years. But it is in the last five years that they have evolved the unusual working partnership that has built Pargesa.

In Geneva, Paris and New York they share a desk, sitting opposite each other. In Brussels they have separate offices but the two men are usually to be found together in one of them. When travelling separately they talk daily by telephone.

Exchange of ideas

This constant exchange of ideas, Mr Eskenazi points out, is fuelled by information and suggestions from four active international shareholders who still control one-third of the voting rights.

A Kuwaiti connection has been added in the shape of that country's public institute of social security, which has bought a sizeable holding in Pargesa and, together with other Kuwaiti interests, taken stakes in two group subsidiaries.

Pargesa's majority holding in Paribas (Suisse), the original objective for its reactivation, has been reduced to 25.5 per

cent. The profits from this disposal have helped create a financial network, the two other nerve centres of which are Groupe Bruxelles Lambert (GBL) in Belgium and Lambert Brussels Corporation in the US.

A fourth synapse is emerging from Henry Anbacher Holdings, the recently reconstructed London merchant bank in which Pargesa and GBL hold a majority stake.

Within five years Pargesa has acquired major or important minority holdings in a financial network spread across six countries:

- Switzerland — Paribas (Suisse), the second largest foreign bank in the country, with a large financing operation but increasing concentration on fund management.

- France — Société Internationale de Banque, a private bank developing a merchant banking operation.

- US — Drexel Burnham Lambert, the fast-growing New York securities company, with a large equity and bond underwriting business, specialising in so-called junk bond financing.

- Belgium — Groupe Bruxelles Lambert, Belgium's second largest holding company, with a wide range of activities in both Europe and the US. Through GBL Pargesa has stakes in

Banque Bruxelles Lambert, the Petrofina and Comètes oil companies and in the television and radio business.

● Britain — Henry Anbacher, now concentrated on its core merchant banking, insurance and ship-broking operations. Anbacher is back in profit after intervention by Pargesa and GBL to stop a disastrous investment in Laidley Adams Peck, a US stockbroker.

● Luxembourg — Banque Internationale a Luxembourg, one of the biggest banks in the Grand Duchy, active in underwriting Eurobonds and in fund management with emphasis on private clients.

● Luxembourg — Banque Internationale a Luxembourg, one of the biggest banks in the Grand Duchy, active in underwriting Eurobonds and in fund management with emphasis on private clients.

● France — Société Internationale de Banque, a private bank developing a merchant banking operation.

● Luxembourg — Banque Internationale a Luxembourg, one of the biggest banks in the Grand Duchy, active in underwriting Eurobonds and in fund management with emphasis on private clients.

The weight of these operations in Pargesa's investments and their contributions to its consolidated income are not clear. The management calculates that no more than 28 per cent of its assets are invested in Paribas (Suisse) while more than 20 per cent are in

the relatively small minority stake held in Drexel Burnham Lambert.

GBL contributes almost half of Pargesa's current income, the share of Banque Paribas (Suisse) having shrunk in line with Pargesa's disposals there. The part generated by Lambert Brussels Corporation (and Drexel Burnham Lambert) is increasing.

Roughly 60 per cent of Pargesa's current portfolio is in financial assets, between 16 and 17 per cent in oil activities, and 8 to 9 per cent in the audiovisual business, where GBL has an interesting stake in Compagnie Luxembourgeoise de Télédiffusion.

Pargesa achieved net earnings of SFr 85m for the year to June 30 1985 compared with SFr 87m for the previous year, when income was boosted by a SFr 62m capital gain. Dividends on bearer shares have climbed from SFr 15 in 1982 to SFr 55 a share for 1984-85.

The holding company is reverting to calendar year-ends. It will shortly announce 1985 group figures which are expected to show earnings close to SFr 130 a share compared

with SFr 95-SFr 97 for 1984. A six-month dividend of roughly half the SFr 55 a share for the year to June 30 1985, will be paid although the company generates the bulk of income in the first half.

Declared dividend policy is to distribute all current income but to reinvest income from capital gains, in order to buttress the share price. A large part of retained income is kept by the operating companies to finance growth.

International consolidation aims at encouraging group units to work more closely together. Management autonomy and national identities are being respected but the small team in Geneva is being strengthened. Its principal role will be to stimulate more joint ventures.

A new subsidiary is set up in Luxembourg to act as a research department and a managing centre for all the group's trust operations.

A right issue is in the offing for Banque Internationale à Luxembourg and there will be a capital expansion in Société Internationale de Banque, where more staff is being sought to build up the merchant banking side.



Mr Albert Frère: constant exchange of ideas

Mr Eskenazi says he would be "happy to make another acquisition in financial services or a diversified company in the US and we would like to get something in Canada where we have a powerful ally (Power Corporation)."

Some analysts expect Pargesa to complete its positioning on the big financial market by a trust into Tokyo. The ambition is certainly there but a move may depend on finding the right Japanese partner.

Electrolux considers Skr 2bn funding

By David Brown in Stockholm

ELECTROLUX, the Swedish household appliances group, may raise as much as Skr 2bn in an international financing exercise this year.

The offering, it is understood, would be one of the largest capital moves ever by any Swedish company abroad.

The move comes in the context of Electrolux's recently announced bid worth a total \$745m to take over White Consolidated Industries, the third largest US white goods manufacturer. If it succeeds, Electrolux would become the world's leading household appliances maker.

The group earlier announced plans to consolidate Zanussi, the Italian white goods manufacturer in which it holds 49 per cent of the equity and convertible to give it a majority holding. Mr Anders Scharp, the managing director, said a final decision on the international funding would not be taken until after the March 28 deadline for acceptance of its bid for White.

Electrolux is studying the possibility of raising up to Skr 2bn, largely in the form of equity but also possibly in convertible notes on some of the foreign markets where it is already listed as seen.

These include London, Paris and Geneva. The group's American depositary receipts are traded in the US.

The White board recently recommended Electrolux's \$847 per share offer, the largest overseas takeover ever attempted by a Swedish company.

If its bid succeeds Electrolux is also expected to sell off those parts of White's activities unrelated to appliances.

Electrolux last year had sales of Skr 39.5bn excluding Zanussi, and profits after financial items of Skr 2.575bn.

Trend to generous spreads over US Treasury notes

By CLARE PEARSON

NEW ISSUE managers, mindful of an increasing though selective investors' appetite for new issues, launched three new bonds into the Eurodollar sector yesterday. A trend towards generous spreads over US Treasury notes was clear.

Prices in the Eurodollar straight sector generally firmed by 1 point or a little more on the back of firmness in New York.

American General, the US insurance company, launched a \$100m 12-year bond. The issue bears a coupon of 8½ per cent and was priced at par to give a yield at issue over the 10-year Treasury of 78 basis points.

Although bankers felt this was quite conservative pricing, the bond was trading in the market late on the day close to its total fees of 2½ per cent. Lead manager was Credit Suisse First Boston.

Morgan Guaranty launched a \$100m 10-year bond for Warner Lambert, the US pharmaceuticals company. The coupon is 8½ per cent and the price par. With fees of 2 per cent, this provided an initial yield of 50 basis points over Treasuries,

which many bankers thought insufficient. The lead manager quoted a bid price at the level of the total fees.

Inco, the Canadian metals producer which as a double-B plus rating, returned to the Eurobond market with a \$100m 10-year deal, paying a coupon of 9½ per cent and priced at par. Morgan Stanley led the issue. Although the bond was moving slowly yesterday afternoon, the high yield is expected to attract investors in due course.

The day also saw renewed issuing activity in the Australian dollar market, where two new issues introduced the zero coupon structure to this sector of the European market.

Commonwealth Bank of Australia made a \$100m nominal zero coupon issue. At an issue price of 55.45 per cent this gave a yield at issue over the 10-year Treasury of 78 basis points. Although bankers felt this was quite conservative pricing, the issue was trading in the market about 102 bid.

Samuel Montagu brought a \$50m 9½ per cent issue for National Australia Bank. The bond matures in 1991 and has an issue price of 100½ per cent. The upper level the redemption amount will be 2½ times the face value of the bonds.

Lead manager Morgan Grenfell reported strong demand from overseas as well as domestic investors for the £75m nominal zero coupon issue. At an issue price of 100½ per cent this gave a yield at issue over the 10-year Treasury of 78 basis points. Fees totalled 11 per cent. This issue swiftly was bid above the issue price.

Shearson Lehman brought a similar \$100m nominal five-year issue for American Express Overseas Finance, with an issue

generous enough, and said it was trading outside fees of 1½ per cent.

SBC Finance (Grand Cayman) Ltd issued a £75m initial tranche of a £100m issue. The bond pays coupons of 9½ per cent and issue price was 101½ per cent. With fees of 1½ per cent this gave a yield at issue over the 10-year Treasury of 78 basis points below the issue price.

In the sterling sector, where prices of Eurobonds continued to move firmer yesterday morning, MEPC, the UK property group, surfaced with another 17-year sterling issue. Unlike Wednesday's deal for ICI, which had no covenants attached to the terms of this included on the borrower.

The day also saw renewed issuing activity in the Australian dollar market, where two new issues introduced the zero coupon structure to this sector of the European market.

Nomura International brought a £150m issue for Eurofima, the railway rolling stock financing company. The 10-year issue, which pays coupons of 8 per cent, has its redemption amount linked to the yen/dollar exchange rate, varying within a range of 88.5 and 225.5. At

the upper level the redemption amount will be 2½ times the face value of the bonds.

The D-Mark sector continued quiet and prices were generally unchanged on the day.

Banque d'Arbitrage et Trésoriers d'instruments Financiers (BATIF) launched its first Euro-DM issue with a 10-year 6½ per cent bond, priced at par. The issue is guaranteed by the parent company Thomson SA. The bonds were trading within fees of 2½ per cent.

Restaurante Seibu Ltd, the Japanese restaurant chain, launched a SFr 50m issue guaranteed by Dai-ichi Kangyo Bank. The bond has an indicated coupon of 2½ per cent and carries equity warrants. The issue is callable at 101½ per cent in two years' time and thereafter at declining premiums. Lead manager is Union Bank of Switzerland.

The Danish kroner market saw a DKr 250m issue for OKG, the Swedish nuclear power company. The issue matures in 1992 and carries a coupon of 8½ per cent. It was priced at par with fees totalling 14 per cent. The lead manager was Svenska International.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add an interest rate swap programme.

The new security, the 3 per cent annual capped adjustable rate mortgage participation certificate (3 per cent Arm PC), is based on seven pools of Arms held by Freddie Mac on which rates will be set this week. Rates on the Arms are linked to the one-year US Treasury Bond index and capped.

Freddie Mac has bought \$1.5bn Arms since demand for adjustable rate house finance began to soar in 1981. The 3 per cent Arm now represents the majority of Arms originated and to add

Financial Times Friday March 21 1986

INTL. COMPANIES & FINANCE

Norsk Hydro blows hot in gases

NORSK HYDRO, the Norwegian industrial group, is so dominant in a few key sectors—fertilisers, offshore petroleum and light metals—that its successes in other areas are sometimes overlooked. Few outside Scandinavia are aware, for instance, that the group has recently expanded its monopoly in industrial gases—buying capacity in Sweden, Denmark and Finland, building up its own production, distribution and research, and fighting a boisterous price war with AGA of Sweden, the Scandinavian market leader.

Through three acquisitions since 1980, combined with expansion, it already supplies 85 per cent of the market for carbon dioxide in Norway, Sweden, Denmark and Finland. This is only a niche, accounting for 10 per cent of the total Nordic industrial gases market. But Hydro is building up sales of other gases within Norway and is poised to expand abroad—initially in Scandinavia, eventually in many of the countries where it makes ammonia, as part of its fertiliser production. Its total 1985 gas sales were worth Nkr 300m (£42.3m). This is 20 times the level of six years ago.

"We can make all the 'air gases' (nitrogen, oxygen, argon) as we expand our fertiliser activity outside Norway," notes Mr Erik Syrstad, head of Hydro's industrial chemicals division.

Hydro is a relative newcomer to the marketing of industrial gases. For decades it has been making a number of them as by-products of its chemical activities—particularly at its air separation plant in Rjukan, eastern Norway. Until recently, however, it sold most of its output to other gas companies.

The decision to go for direct sales of a wide range of gases was taken in 1982. A distribution network was established throughout Norway, and at the same time efforts were intensified to find new applications for certain gases, thus boosting sales to existing customers, as well as winning trade from competitors. Some gases which Hydro does not make itself—like acetylene—were purchased from other suppliers, so that a complete product range could be offered.

Hydro claims to have increased its share of the total Norwegian market for industrial gases from 20 per cent at end-1982 to 30 per cent in 1984 and 40 per cent at the end of 1985, mainly at the expense of AGA Norge, the Norwegian offshoot of the big Swedish group.

Mr Syrstad puts the value of this market at about Nkr 340m in 1985. Mr Lennart Selander, managing director of AGA Norway, disputes Hydro's claim to a 40 per cent Norwegian market share, suggesting that 30 per cent might be a more accurate figure—but of course a lot depends on how you calculate the totals."

He concedes, however, that Hydro is a competitor to be reckoned with, and says there has been "a real price battle" in progress since Hydro entered the wider industrial gases market in Norway.

Much of this growth reflects new applications. Mr Syrstad describes Hydro's strategy for growth in Scandinavia as three-pronged. Improving distribution, and stepping up research into gas use are two elements. The third—despite the general overcapacity—is construction of new plants.

"We may well build air separation plants to serve the local market in certain areas of Norway, Sweden and Finland. We are studying several possibilities, but nothing has



Mr Erik Syrstad: three-pronged strategy for growth

Fay Gjester on the success a Norwegian energy group is having in transforming a one-time sideline into a major business

Norway. Its capacity almost matches Norway's present annual consumption of carbon dioxide.

"In the market for other gases, where we are biggest, Hydro has been pressing us," says Selander. "To date they have had a monopoly of carbon dioxide production in Norway, so now we are going to challenge them."

AGA expects to face increased competition from Hydro in the rest of Scandinavia, but believes it can hold its ground. "In Norway Hydro has the advantage of being Hydro. Sweden will be a tough market to break into. There, AGA has the advantage of being AGA."

The whole Nordic market—presently dominated by AGA—is valued by the Swedish concern at between SKr 1.5bn and SKr 2bn yearly. The company will not put a precise figure on its Nordic market share, but says the world-wide, it sold industrial gases related equipment and services worth SKr 4.2bn in 1984. Outside the

been decided yet. The fact is that there are limits to how far one can ship liquid gases. Shortages could develop in certain areas."

Hydro is enthusiastic about its future in industrial gases. The activity yields production benefits because the gases are a by-product of the group's existing processes. In addition, it offers good profits—"steady, if not spectacular."

"Because it serves so many different users, you don't have the demand fluctuations experienced in some other industrial sectors—it is a stable element in a portfolio of products," says Mr Syrstad.

As well as planning new facilities to supply industrial users, Hydro is considering participation in a consortium which could be established to build the world's largest air separation plant with a daily output of 15,000 tonnes of nitrogen—roughly equivalent to what Norway uses annually.

This huge volume may be needed for injection into the Ekoisk oil and gas field. In

EXTRACTS FROM THE REVIEW BY THE CHAIRMAN, MR. R.C. SMITH, TO BE PRESENTED AT THE ANNUAL GENERAL MEETING ON 25TH MARCH 1986.

General

The Group has continued its impressive growth and total assets under its management now exceed £10 billion. This growth is not confined to any one country, as the following table shows:

TOTAL NEW PREMIUMS FOR INDIVIDUAL BUSINESS		
UK	Ireland	Canada
(£m)	(£m)	(£m)
1983 149	48	57
1984 192	118	90
1985 322	190	150

A large part of the increase is due to sales of individual pensions policies and immediate annuities, while the sales of endowment assurances related to house purchase have remained at a high level.

Last year's figures were boosted by the rumour, scuttled in the Budget speech, that tax relief would be restricted. Current proposals to allow personal pension provision to those already in or who would otherwise join group schemes will stimulate even greater demand. In restructuring the sales and administration of our pensions business, so that they are now integrated with their life assurance counterparts, we shall be facing that future business all the more effectively.

We must also anticipate that the life assurance industry will face growing competition from banks and building societies in markets which were traditionally regarded as the province of life assurance companies. Standard Life, however, is well placed to compete and to continue to expand in the changing markets of the future. For example, in extending our range of financial services we plan shortly to launch a range of unit trusts.

Pensions

In the last two years' reviews comment was made on the Government's plans for pensions. A comprehensive Green Paper "Reform of Social Security" was published in June 1985. This document suggested a major change to the State Pension Scheme—namely that the State Earnings Related Pension Scheme (SERPS) should be phased out. This aroused so much critical comment that the White Paper "Reform of Social Security Programme for Action" published in December 1985 proposed not to abolish, but only to curtail, SERPS. It is reassuring that the Government has listened to and acted upon reasonable criticism.

While stability is of paramount importance, a close second is the objective that the pension ultimately provided by whatever means should, as far as possible, meet each individual's needs. In the vast majority of cases that need will be for a pension related to earnings just before retirement. This is best provided by a final salary scheme where the benefits are defined as a proportion of salary near retirement, the basis of the majority of schemes in force at present. It is therefore worrying that, throughout the White Paper, there is an emphasis on money purchase provision, inescapable in the personal funding of pensions. There is a delicate balance to be kept. While more personal provision through additional voluntary contributions and by the self-employed is to be encouraged, a switch from final salary schemes to money purchase, for either scheme or personal funding, would be a backward step.

One Procrustean suggestion in the White Paper is that "for pensions intended to replace provision by the

state, there should be equal annuities in return for equal contributions regardless of sex and marital status." There is no getting round the fact that women live, on average, longer than men. Hence more money will be needed to provide a pension of £1,000 per annum for a group of women while they are alive than is needed to provide the same pension for a similar group of men. Legislation cannot change that fact and should not attempt to do so.

Financial Services Bill

The publication of the Financial Services Bill marks the penultimate stage in the progress of protection of the investor which started with the commissioning of a report by Professor Gower in 1981. The legislation proposed has, by and large, had the support of the insurance industry. As far as we are concerned the major impact will be on the methods we use to obtain new business.

There are signs that there will be a clearer distinction between those who sell on behalf of one office, and whose advice is directed only towards the type of contract, and independent intermediaries who have a

This advertisement is published by T.M. Marshall & Sons Limited & J. Horne Schindler & Sons in the name of Hanson Trust PLC. The Directors of Hanson Trust PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief there are no statements in this advertisement which are inaccurate or misleading. The Directors of Hanson Trust PLC accept responsibility for the contents of this advertisement.

LATEST PRICES:

At last some help for the hard pressed Imperial shareholder. Mindful that share prices can vary daily, we are publishing a bulletin showing the value of each of the offers for your company.

In order to be perfectly fair, the values we've quoted are based on the best possible offers. Hanson's offer closes at 3pm on March 24th.

HANSON BID WORTH:

376.0P.

UNITED BISCUITS BID WORTH:

336.5P.

HANSON BID BETTER BY:

+39.5P.

Figures based on the market prices at 3.30pm on Thursday.

HANSON TRUST**CONTINUING GROWTH FROM BASIC BUSINESSES.**

The values of Hanson Trust's United Biscuits' offers depend on their respective share prices. The above offer values are for Hanson Trust's Share and Convertible Stock, Emission and Listed Receipts Offer. The offer values take account of discounts by House Gavel Ltd of the values in the relevant ordinary share prices of United Biscuits and the convertible preference shares of United Biscuits.

We welcome MIBOC's logical approach which defines intermediaries either as representatives of one office or as independent.

Investment

People who own their homes are more likely to look after them than tenants and those who own shares are much more likely to take an interest in how companies operate and in their future prosperity. For those reasons, if for no other, the Government's encouragement of property and share ownership is to be supported.

It is one thing for someone to invest whatever savings may remain after he has made provision for repayments of his mortgage, life assurance cover and his future pension. It is another for him to expect that personal investment, even with the advice of experts, can ensure an adequate level of pension on retirement and real hardship to many individual savers could result. It must be sensible, in the future as in the past, for the small investor to place his savings with an institution, whether it be in a with profits endowment assurance, a unit trust, investment trust or a bond managed by an insurance company. Few individuals will have bettered the performance of Standard Life funds.

Valuation and Bonus

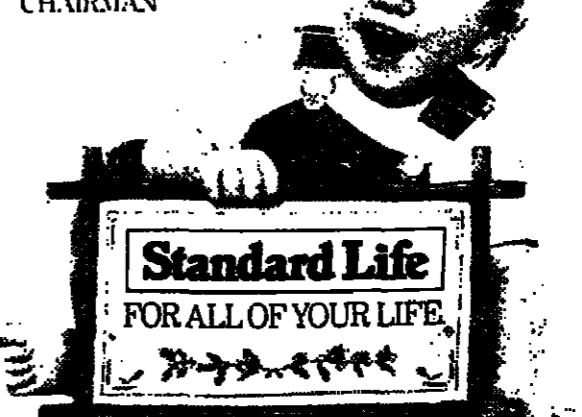
The favourable investment conditions over the year have allowed us to retain our high rates of reversionary bonus for individual business and to increase yet again our terminal bonuses both in the United Kingdom and in Ireland.

We have also declared substantial increases in our group pension bonuses. In developing these record bonuses we have at the same time maintained the considerable strength of our valuation bases. Few companies, if any, will be able to match these results and none can match our consistently good bonus record over the past forty years.

Staff

The increases in new business which I referred to earlier inevitably require hard work and dedication to provide the service which our clients are entitled to expect. I am pleased to acknowledge on behalf of our policyholders the contribution our staff has made in all areas of the Company's activity.

ROBERT C. SMITH
CHAIRMAN



Head Office: 3 George Street, Edinburgh,
EH2 2XZ

ASSETS NOW EXCEEDED £10 BILLION.

UK COMPANY NEWS

Stark warnings from Britoil

Britoil, the UK's largest independent oil company, yesterday announced 1985 net profits of £188.1m, narrowly beating the estimate of £185m made at the time the Government sold its remaining half share in the company in July.

But the value of Britoil's oil production is now about half the average seen last year, and the company issued a number of stark warnings yesterday about prospects for the current year.

The company is to cut its exploration expenditure by about 40 per cent from the £255m spent in 1985, although an increased number of development projects means that overall capital expenditure will be reduced by only 40m from last year's £545.8m.

Britoil warned yesterday that "most of the prospects under consideration for future development will have to be reassessed, and further exploration expenditure will be under constant review." The cash position will inevitably deteriorate but the situation can be kept under control."

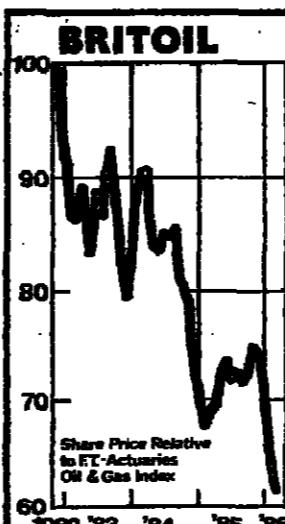
The company also warns that there may be substantial write-offs in the value of certain assets on its balance sheet, as a result of the crash in oil prices.

At the operating level, Britoil made profits of £727.5m (£691.7m) on turnover of £1.5bn



Mr David Walker, chief executive of Britoil

Dominic Lawson
reports on the
fortunes of the
UK's largest oil
independent in a
period of
retrenchment



(£1.55bn). It has met its prospectus forecast of paying a 9p final net dividend, giving a 13p total for the year, costing £65.3m.

It is believed that Britoil gave some thought to cutting the dividend to its 250,000 shareholders, since the prospectus in July said that the 9p final would be paid "subject to unforeseen circumstances" and that halving of the oil price

was an unforeseen circumstance. Britoil's directors were noticeably reticent about the prospects for a maintained dividend, and uncertainty on this seemed to lie behind a 7p drop in share price to 183p yesterday.

After paying out the dividend the company set aside £122.8m into its reserves. Britoil is still in a position of zero net indebtedness, and Mr Bob

Speirs, the company's financial director, said yesterday that it intended to remain conservative in its finances.

Mr David Walker, the company's chief executive, said that Britoil would continue its North Sea search if it could be sure that it would get a much better price for the same oil later, but that it had no such confidence.

See Lex

Capitalising on the 'people's penthouse'

ONE OF Britoil's most highly prized assets may soon be coming on the market—the property market, that is.

As part of a cost-cutting drive, Britoil is believed to be considering the sale of its long lease on Stornaway House, an 18th century mansion next door to St James's Palace, within throwing range of the kurkis held by the Gurkhas keeping guard over that part of the royal household.

It was known as the "people's penthouse," when the building was bequeathed by Mr Tony Benn to what was then Britain's state oil company in 1976. Britoil, now owned instead by 250,000 private shareholders, has decided that it must slim down to meet the oil price crisis. Last year its oil was worth over £20 a barrel. Today each of Britoil's 180,000 barrels a day production is worth less than £10.

Had sterling collapsed along with the oil price things might

not be too bad for the UK independent oil companies, but the coincidental weakness of the dollar has wrecked their plans.

Britoil is now planning to reduce its exploration expenditure by 40 per cent this year

executive, when he heard the news yesterday. Britoil is regarded by other independent oil companies as overstuffed, perhaps a throwback to its days as part of a public sector company. It could well be that Mr

"Is that all?" was one reaction yesterday when he heard the news that Britoil is aiming at a 10 per cent reduction in staff. The company is regarded by other independents as overstuffed, a throwback to its days as part of the public sector.

and Mr David Walker, the company's highly regarded new chief executive, warned Britoil's 2,700 employees, mostly in Glasgow, that he is aiming for a 10 per cent reduction in staff by the end of the year.

"Is that all?" was the reaction of one oil company chief-

executive, when he heard the news yesterday. Britoil is regarded by other independent oil companies as overstuffed, perhaps a throwback to its days as part of a public sector company. It could well be that Mr

How to make large gains from small companies.

An increasing number of investors are discovering the advantages of putting their money into St. Andrew Trust.

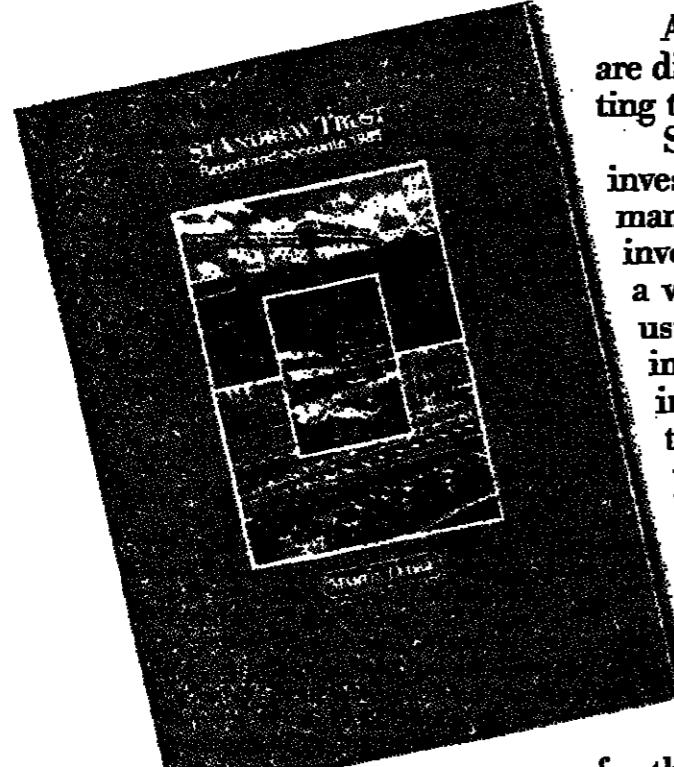
St. Andrew Trust, like other investment trusts, is geared to the management of highly flexible investment portfolios, which offer a wider range of holdings than are usually available to the private investor. They are able to meet investment objectives tailored to the investors' needs by providing professional money management at a modest cost.

The St. Andrew Trust, managed by Martin Currie, takes a special interest in small businesses worldwide that have real growth potential.

The 1985 Report and Accounts for the St. Andrew Trust was published last week.

1985 was a milestone year, said Chairman David A. Ross-Stewart. During the year our total assets grew beyond the £50m mark for the first time—an increase of 13%, with our two largest U.K. holdings increasing by 82% and 81%.

Small companies in the right place at the right time can turn into large ones. That means large rewards for investors in those companies—and major gains for St. Andrew Trust.



Please send me a copy of the 1985 St. Andrew Trust Annual Report.

Name _____

Address _____

To: W.S. Coghill Esq, Martin Currie Investment Management, 29 Charlotte Square, Edinburgh EH2 4AH. Telephone: (031) 225 3811. Telex: 72505.

MARTIN CURRIE
THE INDEPENDENT INVESTMENT MANAGERS

UK COMPANY NEWS

US stake sale boosts Schroders profits

By Michael Cassell

Schroders, the merchant bank, yesterday disclosed after-tax profits for the year ended December 31, 1985 of £29.2m, against £15.1m in the previous year.

The figures were boosted by the part-disposal of the group's interest in its US banking companies to The Industrial Bank of Japan, which now holds a 51 per cent interest in J. Henry Schroder Bank and Trust in New York. The deal produced a net profit of 27.1m together with a further £1.34m arising from the termination of the US subsidiary pension plan.

Schroders say the Japanese stake will, mid-1987, rise to 75.1 per cent and will produce further profits in either the current financial year or in 1988.

The transaction will release about £120m of capital, raising the bank's disclosed capital ratio from 6 per cent to

Heavy losses on general insurance depress L & G

Legal & General, Britain's second largest life assurance group, yesterday reported a 35 per cent fall in pre-tax profits for 1985 from £48.1m to £31.5m, after more than doubled losses of £28m on its general insurance operations.

A substantial tax credit of £4.7m softened the decline in net profits which, before an exceptional credit of £1.2m, dropped from £44.7m to £36.2m. Earnings per share fell to 29.5p, against 29.27p.

The dividend total is being increased by nearly 14 per cent from 21.5p to 24.5p through a final of 16p (14p). And in view of the size of shareholders' capital and reserves, the board proposes a two-for-one scrip.

The group showed a satisfactory increase of 7.6 per cent on its US life operations, other than the US, from \$20.7m to \$24.8m, while profit on fund management operations climbed by more than a fifth to £6.5m.

However, profits from its US life subsidiary, Banner Life, fell £13m to \$8.9m, of which £2.5m of the decline arose from exchange rate changes and most of the rest from the initial strain imposed by the rapid growth in new business.

General insurance operations showed a picture of increased underwriting losses on most underwriting lines, as a result of which the assets and liabilities of the American companies are no longer consolidated.

The dividend for the year is 21.5p (18.5p) with recorded disclosed earnings per share, excluding capital profits, of 83.4p (71p). The directors are recommending a scrip issue of three new ordinary shares and two non-voting ordinary shares for every five ordinary shares held.

The results pushed up the shares from £14 to £15, after reaching £16 at one stage.

• comment

Two days after the Budget the financial sector was still roaring upwards, carrying the market and Schroders with it. After touching a 1985-86 peak of over £16, the bank closed up £1. All this is little to do with past performance and much to do with the sector's future. Among merchant banks Schroders has tended to be modest in performance and profit. The new management is trying to change things and has sold off most of J. Henry Schroder Bank & Trust in New York, releasing £120m for expansion of US investment activities. If the securities operation is only now just getting into full swing the same cannot be said for the loss-making life company. This year's profits before extraordinary items should be some £18m with capital profits greatly reduced from now on. While good enough this is not in the champagne category likely from some competitors. The planned issue of non-voting shares to senior executives could be seen as a bit of a slap in the face but we are assured the move is purely defensive.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased. The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p. The results pushed up the shares from £14 to £15, after reaching £16 at one stage.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against 2.85p.

The chairman also said that volume sales of draught beers to both tied and free trade customers increased.

The final dividend of 1.92p net (1.62p) makes a total of 3.25p for the year against

UK COMPANY NEWS

Pearson profits hit by share of Goldcrest loss

By MARTIN DICKSON

Pearson, the industrial, banking and publishing group, raised pre-tax profits by 10 per cent in 1985, from £19.4m to £19.2m. The figure includes an 8.5m share of the losses of Goldcrest, its film production associate.

The figures were, slightly ahead of some analyst's expectations, but Pearson shares, which have risen sharply in recent weeks on bid speculation, closed at 48p, down 4p on the day.

The group, which owns the Financial Times, is recommending a final dividend of 8.5p, making 10p for the year (8.5p).

Mr James Joll, finance director, said: "These are encouraging results in all the circumstances, particularly by the information and entertainment and investment banking divisions in the second half."

The information and entertainment division, which includes book publishers Penguin and Longman, and the Westminster Press new-paper group, produced profits of £2.5m (£19.2m) on turnover of £26.4m (£49.6m). The profit taken account of the 8.5m loss from Goldcrest, in which Pearson has a 41.2 per cent

Westminster Press & Pearson subsidiary is closing and selling off papers as part of a continuing strategy to cut costs and increase profitability.

The Evening Despatch, Darlington is to cease publication on April 18. The paper, circulation about 11,500, had been losing money for some time.

It is owned by the North of England Newspapers, which is also closing the Durham Advertiser series and Shopper Free, a series of free sheets.

Expansion will be concentrated on the Northern Echo, the provincial morning, the Darlington and Stockton Times and a new series of free newspapers.

The net job loss is expected to be about 40.

Westminster Press also announced yesterday that it was selling its stake in the Bradford County Press and The Northern Press (South Shields).

The businesses are being sold to companies formed by Mr John Barrows and Mr Peter Fowler for £1.3m. Until the end of last year Mr Barrows was Westminster Press group chief executive.

Stake. In all, Goldcrest lost just over £20m last year, much of it from the sale of the control of its film distribution.

The merchant banking division, Lazar Brothers and Lazar Freres, pushed profits up to £12.7m (£15.6m), while fine claim Toval Doulton produced £18.5m (£15.5m) on turnover of £16.9m (£14.5m).

Oil and oil services made £11.2m (£15.4m) on turnover of £12.2m (£15.3m); holding interests, grouped under Fairley Holdings, saw a decline

in profits from £14.1m to £13.2m on turnover up from £162.6m to £188.4m.

Group turnover was £970m (£843m). The net interest charge was £15.3m (£10.8m) and the tax charge rose from £39.7m to £46.5m, in part because of ungroupable losses.

Profit after tax and minority interests totalled £57.8m (£57.4m) and there was an £8.7m extraordinary profit (£7.7m).

£1.3m. Earnings per share before extraordinary were 30.0p (28.8p).

Boardroom shake-up at Phoenix Timber

Phoenix Timber, the troubled timber importer, which was the subject of a public battle for boardroom control last year, has undergone a senior management shake-up.

Mr Dennis Cook, the chairman, who had fought off the attempt by dissident shareholders to replace him, has resigned. Mr Michael Green, finance director, has also resigned from the board but will remain with the company in an executive role.

Tate lifts Berisford stake

Tate & Lyle, the UK sugar refiner, has raised its stake in Berisford to 6.4 per cent, raising the prospect of a further struggle for control of the UK sugar and commodity trading group.

Tate said yesterday that its share buying (at 27p) is intended to show that it was a player in the unfolding struggle for Berisford between Ferruzzi, the Italian food and agricultural group controlling nine per cent, and Hillsdown Holdings, the UK food manufacturer (4.5 per cent).

COMPANY NEWS IN BRIEF

CHURCH & CO. footwear manufacturer, pre-tax profits down at £4.39m (£4.72m) on turnover of £55.24m (£51.85m). The final dividend is maintained at 6p for a 5.5p (7.5p) total.

SHARPE & FISHER (builders merchant and DIY contractor). Turnover was £27.8m (£26.5m) and pre-tax profit £2.16m

(£2.2m) for 1985. Final dividend 1.72p, making 2.33p (2.25p).

CONSULTANTS (Computer & Financial). USM quoted computer software supplier, made pre-tax profits of £91.442 in 1985 (loss £89.807). The final dividend is 0.55p (0.55p).

HAMLYN MILLING made

£355,000 (£278,000) pre-tax on turnover of £17.2m (£20.64m) in year ended September 28 1985.

T. CLARKE, electrical contractor. Pre-tax profits: £608,000 (£888,000) on turnover of £29.5m (£26.98m). The unchanged 1.81p final dividend makes a 2.31p (same) total.

MAYHEW FOODS, USM chicken processor—profits: £513,000 (£616,000) for 28 weeks to end November 1985. Turnover: £12.14m (£12.83m); dividend 0.75p (nil).

UNILEVER—Following the reduction in the rate of Advance Corporation Tax, the net final dividend is being raised from 28.57p, previously announced, to 29.05p.

WW GROUP, textile distributor. Pre-tax profits: £1.55m (£1.23m) for 1985 on turnover of £29.6m (£29.11m). An unchanged second interim dividend of 6p in lieu of a final brings the total to 7.94p (same).

SANDERSON MURRAY & Elder (woolcombers): Pre-tax profit £66,029 (£53,291) in six months ending December 1985. Turnover £3.18m (£2.73m). Earnings per share were 2.8p.

TAY HOMES, USM (quoted estate designer and builder). Pre-tax profits: £324,000 (£185,000) in six months to end-1985. Turnover £5.49m (£4.55m). Interim dividend 1.54p (1.4p) and earnings 3.64p (1.97p) per share.

A & G SECURITY Electronics has suffered following agreed termination of contract for manufacture of DIY burglar alarm kits. Therefore, turnover in year ended January 31 1986 was £1.65m (£2.15m) and profit 1.1m (£301,000 (£403,000)). Interim dividend held at 0.475p net per share.

SHELDON JONES, USM quoted animal feed manufacturer, made £25.4m (£26.5m) pre-tax in six months to end-November 1985. Turnover £1.08m (£1.34m). Interim dividend unchanged at 1.85p.

THOMAS WALKER, metal smallwares manufacturer, earned £96,000 (£102,000) pre-tax in six months to end-1985 on turnover £1.29m (£1.21m). Interim dividend 0.17p (0.185p).

BLANCHARDS, USM quoted interior designer and decorator, reports first half to December 31 1985 taxable profits of £403,000 (£243,000) and maiden dividend of 1.5p net. With trading continuing at present level, directors forecast final of least 3p.

WESTMINSTER AND Country Properties Holding interim dividend at 3p per share. Turnover half year to October 31 1985 was £1.74m (£1.92m) and pre-tax profit was £171,000 (£163,000).

EDINBURGH FINANCIAL Trust—Net asset value at December 31 1985 48p against 50p at December 31 1984. Net revenue 15 months to December 31 1985 (£297,000 15 months to end December 1984). Final dividend 0.7p (0.8p) making total 1p (0.9p).

PACIFIC SALES Organisation, USM quoted leather goods distributor, reports taxable profits of £123,666 (£53,083) for six months to end-1985. Interim dividend is 1p (same).

Pru adds to estate agency network

PRUDENTIAL CORPORATION, Britain's largest life assurance group, is expanding its presence in the estate agency world. Its subsidiary, Prudential Property Services, is acquiring the Winchester-based estate agency Persons, for an undisclosed amount.

The Pru entered the estate agency world in the middle of last year when it acquired the Huntingdon-based Elkins, Day and Bradley, using the acquisition as the base for the new subsidiary PPS. Pru stated at the time that its aim was to establish a national coverage of quality estate agents.

Pearson certainly does well with its network of over 1,000 offices across southern England and the base for the initial acquisition.

Mr Graham Clay, managing director of PPS, confirms the Pru's overall objective of an estate agent's office in every town on a par with Prudential nationwide branch network.

He claimed that the Pru's name and financial backing to a well-run estate agency enhanced confidence in the franchise.

Mr Clay confirms that the Pru was in negotiation with a number of other estate agencies located in various parts of the country.

Pearson's managing partner, Mr Richard Williscroft, stated that the Pru link-up would give the company access to capital resources needed to expand rapidly and enhance the service.

This has happened with the original acquisition. It has opened one new office and acquired two more through the takeover of a small estate agency operation.

New range delay hits Barratt sales

HALF-TIME profits from Barratt Developments, house builder, rose from £4.1m to £7.52m, but were still a little short of the City's expectations. Turnover fell from £27.28m to £21.31m as volumes were reduced by delays in the introduction of the new Prudential Collection range of £20,000 to £600,000 houses. But this is now available on the majority of developments, and the directors look forward with confidence to a steady improvement on both volume and profit ability in its UK private housing.

The US group reduced its trading level in order to concentrate on reducing debt and increasing liquidity. Debt has been significantly reduced by rationalising the land bank. This programme should be completed in the near future and thereafter the Californian operations are expected to start making an acceptable contribution to profit, the directors say.

The directors say the improved level of gearing achieved at June 30, 1985 has been maintained, and at end 1985 the debt was lower. It is intended to operate at this debt level for the foreseeable future.

See Lex

Recovery by Ryan Intl.

Ryan International, the coal recoverer yesterday reported a 10.7 per cent rise in turnover of £2.72m for the year to end December 1985 after losses of £14,000 the year before.

The dividend has again been passed. And the company says it is too early to say whether there will be a payment this year.

The UK operations were badly hit at the start of 1985 by the continuing strike, but returned to profit in the second half. Belgium produced consistently well.

This has happened with the original acquisition. It has opened one new office and acquired two more through the takeover of a small estate agency operation.

The appeal judges said that they would give their reasons as soon as possible, probably next Tuesday.

F. W. THORPE (manufacturer of Thorlux lighting equipment): taxable profits £582,499 (£499,763) for the six months to end-December 1985. Turnover rose by 44 per cent to £86.4m (£25.3m) and the interest charge fell to £1.15m (£1.71m). There was an extraordinary credit of £1.74m (debit £2.05m) from the sale of Ryan's stake in a joint US venture.

The interim dividend is 1.8p (1.4p).

NOTICE TO LOMBARD DEPOSITORS		
Rate for depositors entitled to receive gross interest	Rate for depositors entitled to receive net interest	Gross equivalent to basic rate tax payer
14 Days Notice Minimum deposit is £2,500		
11 1/4% p.a.	8.40% p.a.	12.01% p.a.
Cheque Savings Accounts When the balance is £2,500 and over		
10 3/4% p.a.	8.03% p.a.	11.48% p.a.
8 3/4% p.a.	6.54% p.a.	9.34% p.a.

Interest is credited on each published rate, but not less than half yearly.

Lombard
North Central

17 Bruton St, London W1A 3DH.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers Telephone 01-421 1212

Over-the-Counter Market

High Low	Company	Price	Change	div. (p.)	Actual Yield	P/E Fully
151 118	Ass. Bnt. Ind. Ord. CILS	129	-	10.0	5.2	7.7
75 43	Armstrong Group	71	-	6.4	8.0	18.4
75 43	Armstrong Rhodes	121	+ 1	4.4	12.2	22.3
77	Bell & Howell	177	+ 1	4.0	10.0	22.4
64	Bray Technologies	98	-	3.9	7.0	8.8
201 136	CCL Ordinary	138	+ 1	12.0	8.7	34.2
92	Carborundum	148	+ 2	4.9	3.3	7.3
92	Carborundum 7.5% P.	91	-	7.0	12.5	5.8
92	Carborundum Ord.	91	-	7.0	12.5	5.8
92	Castrol	123	-	1.0	7.7	—
35	Frederick Parker Group	223	-	1.0	4.5	—
105	George Blair	106	-	1.0	9.3	—
105	Ind. Precision Castings	62	-	1.0	15.0	—
219 121	Jackson Group	121	-	1.0	8.5	—
122 121	Jackson Holdings	121	-	1.0	8.5	—
345	James Burroughs	345	+ 5	15.0	4.2	10.9
95	John Howard & Co	62	-	1.0	15.0	—
1200 870	Minihouse Holdings NV	1160	-	6.0	5.0	57.48

This advertisement does not constitute an invitation to subscribe for shares

Williams de Broë

Event Group plc

Offer for subscription of 800,000 ordinary shares at £1 each

A retailer of quality shoes, selling under the names "Event" and "Duo", and of clothing under "Benetton" franchises currently trading from 11 shops. Pre-tax profit projection of £308,000 for current year.

Funds to be utilised in a meaningful expansion in the number of retail shops in an established and profitable group with substantial potential.

An investment in REAL Business Expansion.

Copies of the BES prospectus can be obtained from:

WILLIAMS de BROË HILL CHAPLIN & COMPANY LIMITED
PINNERS HALL
AUSTIN FRIARS
LONDON EC2P 2HS

All these securities having been sold, this announcement appears as a matter of record only.

Trafalgar House

PUBLIC LIMITED COMPANY

(incorporated with limited liability in England)

US\$100,000,000
9 percent Notes 1991
ISSUE PRICE 100 per cent.

Kleinwort, Benson Limited

Barclays Merchant Bank Limited

Banque Bruxelles Lambert S.A.

Banque Paribas Capital Markets Limited

Credit Suisse First Boston Limited

Daiwa Europe Limited

Genossenschaftliche Zentralbank AG Vienna

Goldman Sachs International Corp.

Merrill Lynch Capital Markets

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited

Orion Royal Bank Limited

Shearson Lehman Brothers International

Société Générale

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

March 1986

This announcement complies with the Council of The Stock Exchange.
It does not constitute an offer of, or invitation to the public to subscribe for or purchase, any securities.

£100,000,000



BRADFORD & BINGLEY BUILDING SOCIETY

(Incorporated in England under the Building Societies Act 1874)

Floating Rate Notes Due 1998

The following have agreed to subscribe or procure subscribers for the Notes:

Credit Suisse First Boston Limited

Hambros Bank Limited

ANZ Merchant Bank Limited

Baring Brothers & Co., Limited

Cater Allen Limited

Dai-Ichi Kangyo International Limited

Fuji International Finance Limited

Kleinwort, Benson Limited

Merrill Lynch International & Co.

Samuel Montagu & Co. Limited

Morgan Guaranty Ltd

The National Bank of Kuwait S.A.K.

Swiss Bank Corporation International Limited

Taiyo Kobe International Limited

Tokai International Limited

S. G. Warburg & Co. Ltd.

Westdeutsche Landesbank Girozentrale

The issue price of the Notes is 100 per cent. Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List.

Interest will be payable quarterly in arrear in July, October, January and April of each year, beginning in July 1986.

Particulars relating to the Notes and the Issuer are available in the statistical service of Exel Statistical Services Limited. Copies of the Listing Particulars may be obtained during usual business hours up to and including 25th March, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 4th April, 1986 from:

Bradford & Bingley Building Society,
Main Street,
Bingley,
West Yorkshire BD16 2LW

Hambros Bank Limited,
41 Bishopton,
London EC2P 2AA

21st March, 1986

Credit Suisse First Boston Limited,
22 Bishopton,
London EC2N 4BQ

James Capel & Co.,
Winchester House,
100 Old Broad Street,
London EC2N 1HQ

Renishaw, hitherto the darling of the high-tech sector, has at last produced some slightly disappointing results. Yet the market seemed neither to notice nor to care, and the shares ended the day yesterday up 14p at 316p. It could be argued that if profits were lower than City forecasts, it was not Renishaw's fault directly, but showed that it is better at running its own business than buying others. The newly acquired Micro Aided Engineering lost £200,000 during the first half, while patent

Stockley
The FT yesterday incorrectly reported that Stockley's pre-tax profits rose by £88,000 to £3.76m in 1985. In fact, profits rose from £88,000 to £3.76m.

UK COMPANY NEWS

Fall in asbestos claim costs boosts T & N

WITH EARNINGS per share increasing from 17.58p to 26.89p per share for 1985, Turner & Newall is doubling its dividend to 5p net, with a final of 3.65p.

The group, which produces a wide range of industrial materials for the automotive, engineering and plastics industries, lifted its turnover by only 2.8 per cent to £535m while its operating profit fell by a similar percentage to £48.6m.

However, the pre-tax profit shows a rise from £27.5m to £39.5m, with the help of a net credit of £2.3m for asbestos-related disease claims, compared with a charge of £10.7m previously, a reduction of £2.6m in net financial charges, and £1.5m increase in related companies' contribution.

Other unallocated costs rose £2m, and there was £1.3m more for redundancy and severance costs.

Sir Francis Toms, chairman, says operating profits from continuing businesses in the UK and European regions were up £3.4m to £52.8m, while offset by lower returns from the US and Far East, down from £5.3m to £2.8m.

The African manufacturing companies had a strong second-half and lifted their profits by 40 per cent in local currencies, but on conversion into sterling the African group contribution was £19.3m (£22.7m). Results of the Zimbabwe Mines have been consolidated and the comparable figures adjusted.

Automotive components accounted for £17.9m (£16.7m) of profit, construction and industrial materials £19.8m (£19.3m), plastics £2.4m (£3.9m) and mining £6.3m (£10.5m).

Sir Francis says the current year offers prospects for further improvements and the group is looking for opportunities to extend investments in the UK, the US and Europe.

Net borrowings fell by £15m during the year and were £150m at the year end, producing a debt equity ratio of 23 per cent, against 27 per cent.

After tax £10.2m (£7.1m) and dividends £400,000 (£1.4m), the year's net profit comes through at £20m (£19m). The dividend costs £5.4m (£2.7m) and there is an extraordinary charge of £1.9m (£5.4m) mainly comprising closure and restructuring costs, less income from disposals.

Currency translations, etc, totalling £4.7m have been charged direct to reserves.

Sir Francis Toms, chairman, says two issues combined to produce the net credit for asbestos-related disease claims. First, the company has been trying to establish liability on the part of some insurers in respect of past settlements and, during the year following a favourable judgment in the US courts, the company reached agreement with one insurer which resulted in a contribution towards those settlements.

Negotiations are continuing with others with a view to securing further contributions to expenditure incurred prior to the establishment of the Wellington claims handling facility in June 1985.

Secondly, the US claims handling facility, of which the company is a founder member, is resulting in reduced legal

costs and in substantially increased recoveries from insurers in respect of current expenditure on claims. Consequently, the company has been able to reduce the provision for claims received but not yet settled.

● comment

Turner & Newall looks to have finally reached the home straight on the long-running asbestos claims issue and together with the reconsolidation of the Zimbabwe activities, this clears the decks below the operating profit level. And it is here that the market will be looking for growth if the retating process is to continue. The degree of dependence on earnings from Africa makes for fears as to the quality of current profits. To dilute this further a moderate sized £50m or so, acquisition would provide T&N with a fresh leg. Importantly any purchase should not be another rescue situation, would fairly quickly turn in profits and, possibly, allow some of the £64m tax losses to be clawed back. The City is looking for £51m in operating profits for 1986 (a gain of only some £2m once the currency factor is ironed out) from which pre-tax profits of £44m should be made. This puts the shares at 214p, up 27p on an apparently low prospective p/e of 7 on a 28 per cent tax charge. While there could be some more to come from the recovery process, there are also those who might be tempted to take profits. This combined with any bad news from Africa could make the shares volatile at much above the current level.

Smith & Nephew meets expectations with over £70m

Smith & Nephew Associated Companies, manufacturer of medical and healthcare products, textiles and toiletries, has met market expectations by lifting pre-tax profits for the year ending December 28 1985 to £70.6m. This is a 27 per cent increase on the previous £55.5m.

The directors are recommending an increased 3.25p final dividend against an adjusted 2.65p, bringing the total to 4.85p (3.75p adjusted). They are also proposing a one-for-one scrip issue and the new shares will not rank for the final payment.

Dividends, which will absorb £28.5m (£17m), will be paid from stated earnings per 10p share up by 21 per cent to 11.83p (9.8p).

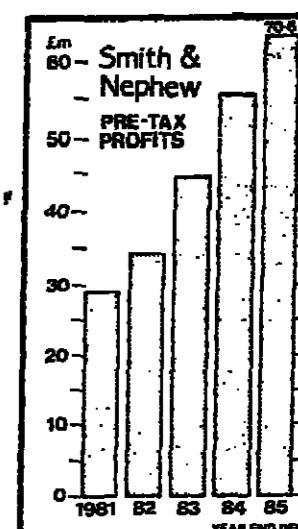
Group sales for the year improved by 13 per cent from £374.1m to £423m, although exchange rate movements reduced the sterling value of 1985 sales by about 7 per cent.

Directors say that the results of the first quarter of 1986 will be announced on May 13. Profits for the first quarter of 1986 were £13.64m.

The results of Affiliated Hospital Products of the US, which the group acquired in February 1985, were included in the first quarter 1985 from February 28 but for 1986 will be included for the full 12 weeks. Taking this into account, they expect that earnings per share for the first quarter will show a continuing improvement.

Operating profit for 1985 showed a 25 per cent increase from £53.2m to £66.7m. The group's medical and healthcare division achieved a 35 per cent improvement in operating profits, while medical and other textiles rose by 29 per cent, and personal hygiene by 19 per cent.

Net borrowings at December 28 amounted to £20.4m, a 35 per cent reduction on the year, and represents 11 per cent of shareholders funds. On January 8 the company issued £80m of 5½ per cent convertible bonds, and the funds have initially been used to reduce UK borrowings.



After tax of 23m (£18.5m), and extraordinary debits of 0.1m (£0.6m), attributable profits emerged at £47.5m (£6.4m).

● comment

The market's thrilled response to Smith & Nephew's results was a little eccentric. Perhaps investors, in generally bullish spirits, suddenly focused on the company's excellent — if correctly forecast — results and decided it was time to correct some of the past year's slippage, so that the shares rose 20p at one point to 238p before closing at 236p. To improve profits and margins in all parts of the world except Africa was a real achievement, given unhelpful currency movements, and demonstrates the wisdom of SEN's conscientious hedging policy.

Surprises in the profits breakdown were in short supply, as usual. However, American Hospital Products had an unprecedentedly good year thanks to the Aids scare, which has created a bull market in surgical examination gloves. Textiles also ended the year unexpectedly well: it seems that Europe will be back in jeans this summer. Assuming profits of £25m this year, the prospective p/e ratio is 19.

Wickes tops forecast with 71% profit rise

Wickes, the USM quoted building materials and DIY retailer which is the European subsidiary of Wickes Companies of the US, has beaten the profit forecast it made at the time of the flotation earlier this year.

The result for the year to end January 1986 came to £3.72m before tax — an improvement of 71 per cent over the previous year and £12.20m ahead of the forecast.

January's offer for sale raised £6.1m of new money for the company, and since then the company has also repaid £12.5m of property related loans to Investors in Industry and partially replaced it with a £5m worth of medium term loans.

Adjusting for these factors, the profit figure for the period would have been £4.9m.

As stated in the prospectus there is to be no dividend, but the directors say that had the company been quoted for a whole year the payment would have been 2p. Reported earnings per share are 9p, up from 6.8p.

Turnover for the year rose from £103.28m to £114.72m, an extraordinary low against a sector average of nearly 18.

● comment

Wickes's flotation was not a happy one, and although the shares put on 1p to close at a premium of 16p to the 140p offer price yesterday they have still failed to keep in step with the rising market. On the face of it this lack of enthusiasm is perplexing, for the combined effects of the flotation proceeds and loan restructuring, a cover in the Netherlands, 20 per cent growth in Belgium and 15 per cent in the UK should produce a leap in profits to at least £60m this year.

Perhaps the worst criticism of the company is that it is unexciting: the Continental operations may not have far to go before they reach maturity, and although the UK operations hold out the prospects of steady growth, they are not perceived as likely to be among the main beneficiaries of legalised Sunday trading.

The prospective p/e ratio of 13 after a 35 per cent tax charge nevertheless looks extraordinarily low against a sector average of nearly 18.

Bronx Engineering recovering

Bronx Engineering Holdings, which restructured in 1984, yesterday announced a small taxable profit of £118,925 for the year to end November 1985, compared with a £545,262 loss for the previous year.

Turnover for the year improved from £7.15m to £10.61m and earnings per share were 6.67p (loss 5.42p). Bronx proposes a final dividend of 0.25p (0.5p), making an unchanged total of 0.5p.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Greenall Whitley

Public Limited Company

(Registered in England No. 14504C)

Issue of up to £33,577,490 of 5.95 per cent. (net)
Cumulative Redeemable Convertible Preference shares of £1 each
("Convertible Preference shares")

The Council of The Stock Exchange has admitted the Convertible Preference shares to the Official List, subject to allotment

UK COMPANY NEWS

Octopus Publishing takes on debt-laden Hamlyn

BY ALICE RAWSTHORN

Octopus Publishing pulled off a double coup yesterday by announcing the acquisition of Hamlyn Publishing—which its chairman, Mr Paul Hamlyn, founded in the 1950s—from Reed International for a nominal amount and by unveiling a 51 per cent increase in pre-tax profit to £20.36m.

Hamlyn Publishing, which produces children's and adults' non-fiction under the Hamlyn, Nelson and Delti imprints, was sold by Mr Hamlyn to IPC, which was subsequently taken over by Reed, in 1984 for £22.25m. Mr Hamlyn continued as chairman of the company until he left IPC in 1970 to found Octopus.

The company produced turnover of £20m last year but operated at a loss. Mr Hamlyn first offered to buy it from Reed three years ago. Reed refused but struck an informal understanding that, should it

be sold, Mr Hamlyn would have first refusal. Reed approached Octopus in January, and the sale was concluded yesterday.

"There was a sort of inevitability that Reed would move out of book publishing eventually," said Mr Hamlyn, "and that when it did, Hamlyn Publishing would come back to me."

According to Mr Hamlyn, the company should contribute to group profits within the course of the current year. Although Octopus has not yet decided how to integrate Hamlyn's activities with its own, it plans to offer cost savings by bringing Hamlyn within Octopus's existing distribution and production network.

The acquisition of Hamlyn follows the purchase of Websters, the book distribution group, in December 1984, and of the educational publishers Heinemann, from BTR, which became a major shareholder in the group.

Trident bows out of TV with £2m sale

Trident Television, the company which once owned both Yorkshire Television and Tyne Tees Television, has finally bowed out of independent television.

Trident, a wholly owned subsidiary of Pleasurama, the gaming, leisure and hotel group, has sold its last remaining stake in ITV—18.7 per cent non-voting and 20 per cent voting shares in Tyne Tees, the ITV contractor for the north east.

The shares have been sold to a number of institutions for more than £2m.

Mr George Martin, managing director of Pleasurama, described the sale yesterday as a tidy-up operation. "Pleasurama has been withdrawing from minority stakes and television doesn't fit in with our other interests."

The company bought Trident last year for its casino interests. Agreement of the Tyne Tees board and the Independent Broadcasting Authority has to be sought for the transfer of more than 5 per cent of the voting shares. Because the shares have been sold to around half a dozen institutions this is thought unlikely to pose a problem.

Park Place profits rise by nearly 21% to £1.5m

Park Place, which has recently been active on the acquisition front, yesterday reported a near 21 per cent increase in interim taxable profits from a restated £1.25m to £1.5m.

The improvement was spread across three of Park Place's divisions, the exception instalment credit activities, which contributed a lower profit of £10.000 against £26.000. The largest increase, both in absolute and in percentage terms, stemmed from the contract services side which increased profits by more than 21 times to £355.000.

Training and publishing—the two core businesses—made £301.000 (£736.000) and £461.000 (£345.000), respectively. Group turnover rose by £3.55m to £14.67m.

Earnings per 10p share improved from 6.1p to 7.3p and the dividend for the six months to end-December 1985 has been lifted from 2.25p to 2.75p.

Park Place, which earlier this week declared unconditional its bid for United Computer and Technology, says the training divisions' results disguise a good first six months. Alterations to the timing of courses, particularly at Key Training, had the effect of putting a greater proportion of profits

into the second half.

Financial Training, Publications had a good period and the directors say that the acquisition of Edwards and Wyche in early January will further strengthen this side of the business.

Comment

Park Place's investors might not have liked these results quite so much if they had been dished up with a rights issue to finance the dog of the company's four divisions.

Park Place Finance, such a prospect was avoided by the purchasing of UCAT which when liquidated will alleviate the division's funds shortage and allow it to move forward, so a flotation becomes a realistic possibility. Meanwhile, the rest of the company is doing well, producing underlying growth of about 20 per cent.

The brightest prospects

lie in the training division.

Park Place can no doubt capitalise on its 95 per cent share in the training division.

Ex the market for educating stockbrokers, by retraining them to post Big Bang standards.

The company continues to search for acquisitions in related areas and in the meantime can be

expected to produce profits of £3.5m, employing a p/e of 14 on 255p.

This announcement appears as a matter of record only.

HOUSEHOLD MORTGAGE CORPORATION PLC

The following institutions have subscribed for Cumulative Convertible Preference Shares

CIN Industrial Investments Limited	Electra Investment Trust plc
Friesch-Groningsche-hypotheekbank N.V.	Globe Investment Trust plc
International Financial Markets Trading Limited	Investors in Industry plc
Marine and General Mutual Life Assurance Society	Mercantile House Holdings plc
Murray Ventures PLC	Royal Life Assurance Limited
Skandia International Insurance Corporation AB	Sumitomo Life Insurance Company
Sumitomo Life International Limited	

March 1986

This advertisement appears as a matter of record only

£14,500,000 SPECIALITY SHOPS plc

a new property company to invest in speciality shopping centres in the U.K.

managed by

Mount Provincial Developments Limited

Initial equity and loan stock investors include

Abaco Investments plc
The British & Commonwealth Shipping Company plc

The Canada Life Assurance Company
The London and Manchester Assurance Company Limited

Sun Life Assurance Company of Canada

Funding arranged by

BROWN GOLDIE & CO. LIMITED

NOTICE OF OPTIONAL REDEMPTION to the holders of THE KOREA DEVELOPMENT BANK US\$30,000,000 FLOATING RATE NOTES DUE 1989

Notice is hereby given that pursuant to Condition 6 (c) of the above-mentioned Notes ("the Notes"), the Bank will at the option of the holder of any Note, redeem, on the 15th day of June 1986, such Note at a price equal to the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

To exercise such option, the holder must deposit such Note with any of the following paying agents as from 7th April, 1986 up to and including 1st May, 1986:

Manufacturers Hanover Limited
7 Princes Street, London EC2P 2EN.

Manufacturers Hanover Trust Company
100 Building, 21st Floor, 5 Sheldon Way, Singapore 0106

Manufacturers Hanover Trust Company
Trust Division, 40 Wall Street, New York, NY 10015

Manufacturers Hanover Trust Company
Stockstrasse 33, 8027 Zurich, Switzerland

Manufacturers Hanover Bank/Belgium S.A./N.V.
Rue de Ligne 13, B-1000 Brussels, Belgium

Manufacturers Hanover Bank Luxembourg S.A.
39 Boulevard Prince Henri, Luxembourg

Manufacturers Hanover Limited
Fiscal Agent

TV RESULTS

Central TV to give vote to all shares

Central Independent Television, the contractor for the Midlands, is considering the on-franchising of its non-voting shares and applying for a Stock Exchange listing. At present it has a quote on the USA.

Discussions are being held with the Independent Broad-

casting Authority, the Stock Ex-

change and major shareholders,

which include Ladbrokes Group,

Sears Holdings, D. C. Thomson

and Pergamon Press/BPPC.

Mr Bob Phillips, managing di-

rector, said the company was

making the move to achieve

greater equality between the

two classes of shareholders and

also to make it more attractive

to investors if it got a stock

listing.

He added that there had been

fairly detailed discussions be-

tween the interested parties but

could not give any details on

how the on-franchising might

be done.

The announcement was made

with the publication of the pre-

liminary results for 1985 which

reveal pre-tax profits up by 18

per cent from £10.05m to

£11.86m on turnover which

rose by 8 per cent to £16.05m

(£152.2m).

Earnings per 50p share came

out at 26.3p, against 24.3p,

and the directors are proposing a

final payment of 10p (8p)

making a total for the year of 12.5p

up from last year's 10.5p.

Mr David Justham, chairman,

says that despite little growth at

the beginning of the year net

Buoyant advertising helps LWT advance 13%

IMPROVED results from London Weekend Television, where turnover rose by more than 14 per cent, was the main factor behind a 13 per cent increase in pre-tax profits for LWT (Holdings) in the six months to January 25, 1986.

Directors say that buoyant demand for advertising, experienced in common with the rest of independent television, contrasts with the static revenue last year, and augurs well for the second half.

Taxable profits were £6.13m (£5.45m), struck after excise levy of £3.43m against £1.44m. Turnover for the period fell from £83.79m to £73.81m as a result of the de-consolidation of the Hutchinson interest following its merger with Century Publishing last year.

Earnings per share came out at 18.61p (16.42p) and the interim payment is being increased from 5.1683p to 5.685p.

The final charge was little changed at £2.53m (£2.62m).

Comment

LWT's shares have waxed and waned over the last year or so... waxing with the Hutchinson merger and the (shortlived) emergence of an American predator... waning with the formation of the Peacock Com-

mittee and the imposition of Excise Levy on the profits of overseas programme sales. This set of interims fell slightly below the market's expectations.

Nonetheless the share gained 7p yesterday to close at 337p.

The City anticipates a stronger second half with profits of £1.5m and a p/e for the year as a whole.

LWT's chief competitor, for advertising revenue, Thame, has adopted an increasingly aggressive sales policy over recent months.

Perhaps perversely this should benefit LWT, as Thame's share of the flow of revenue out of London towards the regional stations. But LWT's costs, historically high, even by the profligate standards of ITV, escalated further in the first half and the Levy reform, structured specifically to hit companies like LWT, looms over its long term prospects.



Central Independent Television plc

"Another year of progress"

reports David Justham, Chairman

Unaudited Results

Year ended 31 December	1985 £'000	1984 £'000
Turnover	165,046	152,203
Group profit before taxation	11,856	10,047
Taxation	(5,262)	(3,980)
Profit after taxation	6,594	6,067
Dividends paid and proposed	(3,136)	(2,627)
Retained profit for year	3,458	3,440
Earnings per share	26.3p	24.3p

The figures for the year ended 31 December 1985 have been extracted from the full accounts which have not yet been reported on by the company's auditors and have not been filed with the Registrar of Companies.

● Turnover increased by 8.4%.

● Profit before taxation increased by 18.0%.

● Earnings per share increased by 8.2%.

● A final dividend of 10.0p per share is proposed in addition to the interim of 2.5p already paid, making a total of 12.5p compared with 10.5p for 1984, an increase of 19%.

The Annual General Meeting will take place on 22 May 1986, and copies of the 1985 Report and Accounts will be available from 30 April 1986 from the Secretary, Central House, Broad Street, Birmingham

TECHNOLOGY

'Electronic quantum leap' is put to the test by Sharp

BY CARLA RAPORT IN TOKYO

DR STANFORD Ovshinsky did not mince his words. "It is a statement, not a claim. This is the first new physics approach in transistors with widespread applications since 1947."

In other words, since the invention of the transistor itself, the cornerstone of the microelectronics revolution.

Dr Ovshinsky, chief executive officer of Energy Conversion Devices (ECD), a small company based in Michigan in the US, was in Tokyo recently to make his bold claim, a quantum leap, he says, for the electronics and communications business.

Unfortunately, potential quantum leaps in the electronics industry are won and lost very easily in Tokyo. These days the local and foreign press were distinctly unmoved. Only a handful showed up for the press conference. Nevertheless, Dr Ovshinsky has been taken seriously in Japan by Sharp, one of the country's major electronic companies. ECD's transistor is fabricated in amorphous silicon, a material it has been investigating for many years.

The individual crystals of silicon in the amorphous state are arranged randomly unlike the neat arrays which characterise the silicon substrate used for conventional silicon chips. Nevertheless, it is possible to use amorphous silicon for devices such as solar energy collectors, wrist watches and calculators powered by sunlight often have collector panels made of amorphous silicon.

So it is not surprising that Sharp, which includes solar powered calculators in its product line, is interested in amorphous silicon in general and ECD in particular.

Dr Tadashi Sasaki, the 70-year-old senior executive vice-president of Sharp and a respected scientist in his own right, said: "If the principles ECD has announced are correct, this is a breakthrough, a revolutionary discovery. Therefore, we are now trying to confirm the discovery as fast as possible."

This should take Sharp about six months. While Japanese companies are studying Dr Ovshinsky's new transistor, UK semiconductor experts were politely sceptical when asked about the Ovshinsky device. Indeed many US experts dis-

miss the Michigan inventor as something of a crackpot.

The receptivity of the Japanese, according to Ovshinsky, is why he chose to make his announcement in Tokyo:

"Silicon Valley is Death Valley. The centre of this industry is shifting to Japan," he said.

Ovshinsky's invention is called a DIFET, a double injection field effect transistor. According to ECD it can be made from amorphous silicon or conventional crystalline silicon. It has a high current output, is inexpensive to produce and has optical emission qualities.

Ovshinsky points to the possibility of fabricating layers of amorphous silicon, one on top of the other, with each layer a computing surface comprising thousands of DIFET devices, and communicating vertically by light.

Exactly what a DIFET is seems difficult to analyse from the published material available. The claimed advantages lie in the ease of manufacture—no clean rooms, ion implantation equipment and so on, because amorphous materials do not need the precision of traditional chips.

There is a precedent. A Mr Oursler at ITT in Japan developed a somewhat similar device called a Lubister in 1982. Japanese researchers say, however, that the Lubister and the DIFET behave in very different ways.

The Japanese are chiefly interested in DIFET-type devices as controllers for large liquid crystal display screens, a use for which some of their claimed characteristics make them ideal.

Most do not seem to share Dr Ovshinsky's belief in the universal applicability of his new device. Even to operate as a display controller, existing DIFETs will have to have their on/off current flow performance improved by about one million times.

Sharp's research will tell if Dr Ovshinsky's device will change the direction of the semiconductor business. But for the time being there seems no immediate prospect of an end to bipolar and field effect transistors technology, clean rooms and very, very painstaking manufacturing techniques.

FIVE US engineering teams are putting the finishing touches to an important set of Star Wars studies which, by setting out guidelines for design work in the \$26bn research programme, will influence the part played by major defence corporations which are hosting contracts worth hundreds of millions of dollars.

Under the studies, each worth \$5m, the teams are trying to devise the overall shape or "architecture" of a fool-proof system to defend the West from nuclear attack by shooting down missiles. The design of such a system is the goal of the Star Wars project, more correctly called the Strategic Defence Initiative.

Working on aspects of the architecture research are some of the largest US defence concerns, including Boeing and Hughes Aircraft.

Although the five architecture contracts are small in relation to the \$5bn so far allocated to the research (of which some \$2bn has been spent), they will have a crucial role in determining the programme's direction.

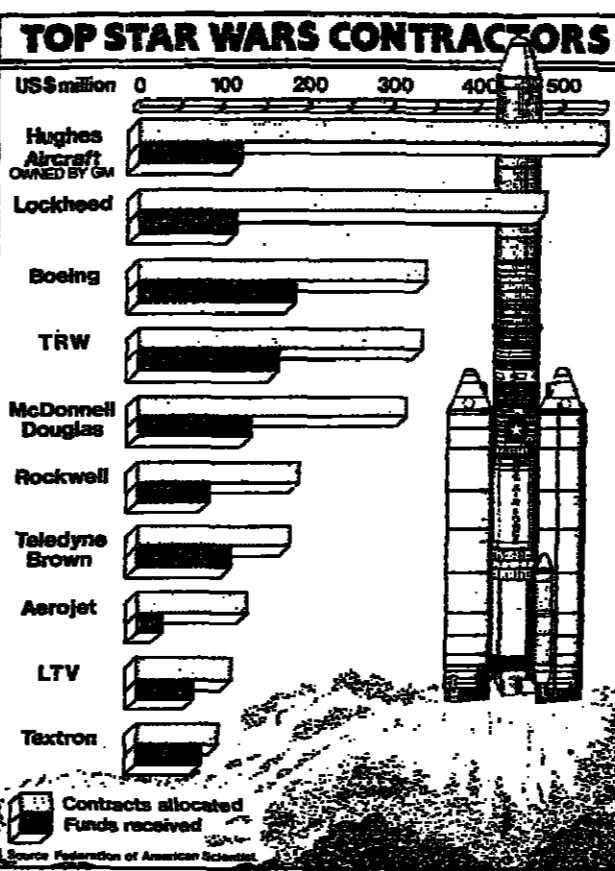
Results from the studies, which started last autumn and are due to last until the spring or early summer, are fed continually to the SDI Organisation.

The Defence Department body overseeing the five-year research project, The Pentagon has forced the contractors into a tighter schedule, bringing forward the completion date for the studies by about six months.

The SDI Organisation needs the architecture results as quickly as possible to modify its own thinking about the

Peter Marsh on research that will influence the direction of the Strategic Defence Initiative

Chase for the big Stars War contracts



These concerns clearly hope to obtain still bigger contracts as the programme moves into its later stages, when the accent will be less on theoretical studies and more on hardware development. Spending is due to grow from \$2.7bn this year to \$4.8bn in the financial year beginning in October, and to \$6.1bn in 1988.

The SDI Organisation refuses to discuss the architecture work on the grounds that it is classified. Some clues have emerged, however, from an earlier group of architecture studies which finished last summer. Ten contractors were each given \$1bn to work on these studies—and out of these emerged the five teams now proceeding with the more extensive work under the second phase.

According to Mr John Pike, a space analyst at the Federation of American Scientists who keep a watch on the SDI programme, the first phase of the studies led to some important changes in direction in the programme.

For instance, there now appears to be a greater emphasis on ground-based lasers as devices to shoot down missiles together with an alteration in the strategy for sensors and computers.

The Pentagon has yet to make up its mind on what is likely to follow the completion of the architectural studies in the summer, but it seems that one or two of the five contractors may be given a further contract—worth \$25m to \$50m over a year—to hone down the ideas on architecture still further.

Under this work, the winning teams would liaise both with the SDI Organisation and another group of companies due to be given a contract to develop the National Test Bed, a grandiose, \$500m test facility which would conduct trials on software and hardware elements developed in other parts of the Star Wars programme.

Another idea is to set up a private "think tank" totally financed by the Pentagon to monitor progress in future architecture studies.

The think tank, of 100-200 people, would have no commercial links with other SDI contractors.

Such an organisation, along the lines of similar groups like the RAND Corporation and the Institute for Defense Analysis, would provide the SDI Organisation with information which would be relatively free from commercial bias.

Refurbishment and Maintenance for Commerce and Industry

TG
Tom Green
Construction Limited
0277-354141

Better link with the office for businessmen on the move
By Geoff Charlish

FOR BUSINESSMEN on the move, text and data can be sent and received from almost any location where a telephone is installed, using a system introduced by Connex, a London-based company.

Most people travelling abroad conventionally turn to their host's secretary to get a telex message sent back to their home base. But with international direct dialling installed in most of the developed world, there is a clear attraction in being able to use the telephone network.

Connex offers two units, the PX1000 portable which is about the size of a large calculator and is easily carried in a pocket or briefcase and the DX90 home-base unit which is equipped with a printer.

The traveller simply dials the home number on the phone, holds the PX1000 to the handset mouthpiece, waits for a receive tone from the DX90 and presses the send button.

In under 30 seconds, up to five pages of A4 text and data previously entered via a small keyboard are sent over the phone network and printed out at about 60 characters a second at the other end—some 10 times faster than telex.

The PX1000 has a single line 40 character liquid crystal display and some quite advanced word processing, to ease text compilation.

It can also be used to send the conventional telex or to send a message through one of the electronic mail services. In that case, the user dials a Connex "gateway" number first and is billed accordingly.

The PX1000 costs £295, the DX90 home-base unit £795. Both are approved by British Telecom.

FACE TO FACE WITH THE FUTURE

Hanover Fair INDUSTRY in April is geared to the presentation of modern industrial technology from throughout the world. The new dynamic concept recently developed for this famous international trade fair—which has been known for decades as the world's largest exhibition of capital goods—will help Hanover Fair INDUSTRY to set new standards of excellence.

It is not surprising that key personnel such as managers, engineers, designers, buyers, representatives of the skilled trades and specialist dealers should come to the Hanover Fair. After all, the "Fair of Fairs" provides information on a wide range of industries and permits an insight into the latest developments in industrial technology.

HANOVER FAIR INDUSTRY APRIL

World Center for Industrial Technologies

World Market for Electronics and Electrical Engineering
Industrial Automation: Control Systems
Research and Technology
Energy
ICA—International Centre for Plant Engineering, Transport and Traffic
New Materials
Subcontracting
Surface Treatment
Tools
Factory Equipment
CeREG—Centre for Cleaning Technology, Property Maintenance and Waste Removal
Advertising and Publicity Centre

Hannover Messe '86
INDUSTRIE 9.-16.4.1986

Further information from: Arnold Buttemeyer, Braeside, Sanderson Road, Sanderson, South Croydon, Surrey CR2 0AJ, Tel: 01-651-2191, Telex: 8951514

"In looks and features the Canon T90 represents a revolution in SLR design."

Amateur Photographer—T90 Camera Test.

Canon

Canon—Manufacturers of Cameras, Videos, Calculators, Copiers, Computers, Facsimile, Typewriters and Micrographics.

AUTHORISED UNIT TRUSTS & INSURANCES

Financial Times Friday March 21 1986

Property Growth Ass Co Ltd

Scattish Life Intertwined with the English

**Life Unit Assurance Ltd. - Coms
Logo Plans**

INSURANCE, OVERSEAS & MONEY FUNDS

COMMODITIES AND AGRICULTURE

EEC invites tenders for intervention sugar

By Ivo Dawsy in Brussels

EEC SUGAR users' associations have been invited to tender for 180,000 tonnes of sugar sold into intervention by West Germany and France.

The sales to intervention are highly unusual for the sugar sector as prices are normally between 5 and 10 per cent above the floor price set by the European Commission.

Recently, the Commission has been pursuing an active policy of pushing down prices of sugar for export by refusing higher export subsidy tenders.

Last year, the Commission forced a significant recovery in world market prices by refusing to accept any offers at the prices proposed by the trade.

The squeeze on prices has provoked traders to pass on the downward pressure back to the sugar refiners and processors, who in turn have made low offers to the farmers themselves.

As a result, farmers have chosen the little used option of intervention as a last resort. West German producers have sold 130,000 tonnes to Community stores and the French 50,000.

Fall expected in world tin output

THE INTERNATIONAL Tin Council (ITC) expects a drop in Thai production to pull world output lower in the April/June quarter, reports Reuter.

It statistics committee expects world output to fall to 37,500 tonnes of tin-in-concentrates next quarter from 40,500 in Jan/Feb/Mar; 161,000 in the whole of 1985 and 167,500 in 1984.

A forecast 3,000 tonne cut in Thailand output next quarter to 3,000 tonnes is the largest drop, a 500 tonne fall in Malaysia being offset by a similar rise in Brazil. Canadian output at 1,000 tonnes this and next quarter against 450 tonnes for all 1985 reflects the opening of new production.

The ITC statistics put Brazilian output next quarter at 6,500 tonnes of tin-in-concentrates while Malaysian output at 7,500 tonnes is forecast 500 tonnes lower.

The statistics committee has placed Chinese exports of tin metal at 2,000 tonnes in both quarters against total shipments of 7,000 tonnes last year and 2,600 tonnes in 1984.

Soviet and East German imports of tin metal next quarter are expected unchanged from the same period a year ago at 4,100 tonnes against 3,600 tonnes in the current quarter and 14,200 tonnes last year, down from 15,800 tonnes in 1984.

Stocks of tin-in-concentrates held in producing countries fell in the second half of last year to an estimated 20,000 tonnes from a high of just over 26,000 tonnes in the first half of last year, ITC delegates said.

The main declines in the second half year were in Thailand and Malaysia, where they fell 1,800 and 1,600 tonnes to 3,600 and 12,400 tonnes of tin-in-concentrates, respectively.

US subsidises Nigerian deal to aid barley market

BY NANCY DUNNE IN WASHINGTON

THE US Department of Agriculture (USDA) has taken steps to assist the barley market with an offer of subsidised barley to Nigeria, the 20th such "initiative" under the Export Enhancement Programme (EEP), which had its funding cut under the recently-signed US Farm Act.

The scheme was originally designed to give away \$2 billion worth of Government-held stocks for subsidies in order to help US exporters compete with subsidised EEC sales. But Congress, in a cost-cutting move, last week passed legislation chopping off \$1 billion from the programme's allocation.

Under the new offer, the USDA's Commodity Credit Corporation will offer a bonus of \$75 per tonne for up to 100,000 tonnes. The bonus will be paid in the form of barley.

Despite generous bonuses, the payment-in-kind export pro-

gramme has been unable to reverse the decline in US exports. Exports to North Africa and the Middle East actually fell last year about 20 per cent to \$1.2 billion. Exports to South Africa declined by about 70 per cent to \$150m.

Sub-Saharan Africa was the only region in which US farm exports increased in 1985. Food aid to the famine-stricken nations accounted for the bulk of the 40 per cent rise in exports to the region, now estimated at about \$1.1bn.

Barley has been hit particularly hard by the 1985 farm Act and massive surpluses.

Under the new offer, the USDA's Commodity Credit Corporation will offer a bonus of \$75 per tonne for up to 100,000 tonnes. The bonus will be paid in the form of barley.

The expert picture for most

US commodities is particularly gloomy. Last month the USDA projected exports at \$28bn, earning 10 per cent below 1985.

The department said it expects a change in the seasonal pattern of farm exports this year. Normally a heavy movement of agricultural exports occurs in the first quarter of the fiscal year. However, this year traders are sorting out the implications of the new commodity programmes and awaiting announcement of additional details.

Earlier this week, the department said that farmers are cutting back on 1986 production levels so severely that the US may have its smallest national maize crop since 19 years ago.

What plantings will be down 6 per cent from last year and soybean plantings are estimated to be down 2 per cent.

Acreage planted to cotton has been reduced about 9 per cent.

The expert picture for most

Seabed mining conflict settled

BY CANUTE JAMES IN KINGSTON

A UNITED Nations effort to establish an internationally accepted convention for mining the international seabed has made a small but significant step forward with an agreement by Japan, France and the Soviet Union to settle conflicting claims for mining rights in the Indian Ocean.

Mr L G Chingran, deputy chairman of the preparatory commission of the UN Law of the Sea Conference, in its fourth session here, said the agreement was reached last month at a meeting in Arusha, Tanzania. The conflicts were discovered when the three countries filed claims with the commission.

The commission is seeking the establishment of the International Seabed Authority as a specialised agency of the UN, to implement the Law Of The Sea Treaty governing the mineral wealth of the international seabed. At stake is the recovery of billions of tonnes of polymetallic nodules containing varying quantities of manganese, copper, cobalt and nickel.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

Australian gold output reaches 70-year peak

AUSTRALIAN mines' gold production rose sharply to a 70-year peak of 57,000 kilos in calendar 1985 from 39,101 in 1984 and refined gold output jumped to 54,223 from 37,003, the Bureau of Mineral Resources said.

Plans are in hand for the commissioning of well over 50 gold mining operations which aims to boost the quality of the coca grown in the western Indian Ocean over 15,000 square kilometres.

No details of the agreement by the three were announced at the conference. Earlier this year India's Department of Ocean Development said it was launching a two-year deep sea mining programme in the central Indian Ocean over 15,000 square kilometres.

While not denying that licences had been issued to companies, Mr Klaus Duisberg, the leader of the West Germany delegation, said the treaty was not yet international law, and

his country could not be justifiably accused of taking illegal action. He said West Germany had to take action to protect its interests and that his government had never concealed its belief that the mining provisions of the seabed treaty were flawed.

UN officials here say the agreement by France, Japan and India, which establishes them as pioneer investors, was significant for the efforts to get agreement on the treaty and the establishment of the seabed authority.

No details of the agreement by the three were announced at the conference. Earlier this year India's Department of Ocean Development said it was launching a two-year deep sea mining programme in the central Indian Ocean over 15,000 square kilometres.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line and bucket system.

It said efforts would be made to mine polymetallic nodules at depths between 3,500 metres and 3,600 metres, with the use of a continuous line

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound firm but below best

Sterling broke through \$1.50 to touch its best level against the dollar in nearly two and a half years in early trading yesterday. A combination of firmer oil prices, a favourable balance of payments and discounts prompted heavy demand for sterling in early trading. It fell back later in the day but showed a useful overall improvement. Its exchange rate index closed at 75.3, up from 74.8, having touched 76.0 at the opening calculation.

Wednesday's one point fall in UK clearing bank base rates and the pound's exchange rate index of rates yesterday did not appear to have any effect on the pound as UK rates are still considerably higher than those in Japan and West Germany. Against the D-mark it broke through DM 3.38 quite easily. The pound's exchange rate index of the latest Opec meeting, US statistics released yesterday included personal income and consumer spending but these were sufficiently in line with market expectations to be ignored.

The dollar fell to DM 2.2600 from DM 2.2610 and 176.90 compared with 175.80. Against the Swiss franc it eased to SFr 1.6930 from SFr 1.6955 and FFr 6.0425 compared with FFr 6.0450. On the Bank of England figures, the dollar's exchange rate index was 118.5 released yesterday, included personal income and consumer spending but these were sufficiently in line with market expectations to be ignored.

Against the dollar but it revalued in the afternoon to a low of \$1.4950 before closing at \$1.4885. A rise of 30 points from Wednesday's close.

The dollar was mostly weaker in rather nervous trading. Sensitive was influenced by the yen's D-MARK — Trading range

\$ IN NEW YORK

	Close	Mar. 20	Prev. close
1 spot	\$1.4885-1.4900	\$1.4816-1.4830	
1 month	1.4885-1.4900	1.4816-1.4830	
3 months	1.4910-1.4970	1.4842-1.4845	
12 months	4.02-4.45 ppm	4.30-4.25 ppm	

Forward premiums and discounts apply to the US dollar.

continued appreciation and growing speculation that the US authorities may wish to see the dollar decline still further. Reports suggested that the Fed had been in secret consultation with the Bank of Japan to underpin the US unit for the time being. This would undermine the dollar's position against other currencies along with continued concern about the outcome of the latest Opec meeting. US statistics released yesterday included personal income and consumer spending but these were sufficiently in line with market expectations to be ignored.

The dollar fell to DM 2.2600 from DM 2.2610 and 176.90 compared with 175.80. Against the Swiss franc it eased to SFr 1.6930 from SFr 1.6955 and FFr 6.0425 compared with FFr 6.0450. On the Bank of England figures, the dollar's exchange rate index was 118.5 released yesterday, included personal income and consumer spending but these were sufficiently in line with market expectations to be ignored.

Against the dollar but it revalued in the afternoon to a low of \$1.4950 before closing at \$1.4885. A rise of 30 points from Wednesday's close.

The dollar was mostly weaker in rather nervous trading. Sensitive was influenced by the yen's D-MARK — Trading range

POUND SPOT—FORWARD AGAINST POUND

Day's spread	Close	One month	% p.m.	Three months	% p.m.
US	1.4885-1.4900	1.4885-1.4900	0.50-0.50 ppm	4.15-4.15-3.35 ppm	3.54
Canada	2.0743-2.0843	2.0750-2.0850	0.05-0.05	3.78-3.79 ppm	5.54
Netherlands	2.3771-2.3871	2.3781-2.3881	2.11-2.11 ppm	5.74-5.75 ppm	5.54
Belgium	2.6523-2.6623	2.6533-2.6633	2.04-2.04 ppm	6.44-6.44-6.00 ppm	1.75
Denmark	2.6541-2.6641	2.6551-2.6651	2.04-2.04 ppm	6.44-6.44-6.00 ppm	1.75
Ireland	1.1650-1.1665	1.1650-1.1665	0.35-0.35 ppm	4.59-4.59-4.00 ppm	6.00
W. Ger.	2.3341-2.3441	2.3351-2.3451	2.11-2.11 ppm	6.32-6.32-5.50 ppm	6.72
Portugal	2.2213-2.2313	2.2223-2.2323	2.14-2.14 ppm	6.28-6.28-5.50 ppm	6.72
Italy	22.48-22.58	22.50-22.60	2.28-2.28 ppm	6.28-6.28-5.50 ppm	6.72
Norway	10.57-10.67	10.58-10.67	1.94-1.94 ppm	6.32-6.32-5.50 ppm	6.72
France	10.20-10.41	10.20-10.41	1.94-1.94 ppm	6.32-6.32-5.50 ppm	6.72
Spain	1.2100-1.2120	1.2100-1.2120	0.00-0.00 ppm	6.32-6.32-5.50 ppm	6.72
Japan	20.21-20.25	20.22-20.25	1.27-1.27 ppm	6.32-6.32-5.50 ppm	6.72
Austria	22.48-22.74	22.48-22.52	2.12-2.12 ppm	6.13-6.13-5.50 ppm	6.33
Sweden	2.2213-2.2313	2.2223-2.2323	2.14-2.14 ppm	6.13-6.13-5.50 ppm	6.33
Belgian franc is for convertible francs. Financial rates 48.85-48.90. Six-month forward dollar 2.25-2.26 ppm. Six-month forward pound 3.95-3.96 ppm.					

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Day's spread	Close	One month	% p.m.	Three months	% p.m.
March 20	1.4885-1.4900	1.4885-1.4900	0.50-0.50 ppm	4.15-4.15-3.35 ppm	3.54
UK	1.4885-1.4900	1.4885-1.4900	0.50-0.50 ppm	4.15-4.15-3.35 ppm	3.54
Canada	2.0743-2.0843	2.0750-2.0850	0.05-0.05	3.78-3.79 ppm	5.54
Netherlands	2.3771-2.3871	2.3781-2.3881	2.11-2.11 ppm	5.74-5.75 ppm	5.54
Belgium	2.6523-2.6623	2.6533-2.6633	2.04-2.04 ppm	6.44-6.44-6.00 ppm	1.75
Denmark	2.6541-2.6641	2.6551-2.6651	2.04-2.04 ppm	6.44-6.44-6.00 ppm	1.75
Portugal	2.2213-2.2313	2.2223-2.2323	2.14-2.14 ppm	6.28-6.28-5.50 ppm	6.72
Spain	1.4911-1.4915	1.4911-1.4915	0.00-0.00 ppm	6.32-6.32-5.50 ppm	6.72
Norway	7.11-7.11	7.11-7.11	1.12-1.12 ppm	6.32-6.32-5.50 ppm	6.72
France	6.54-6.54	6.54-6.54	1.12-1.12 ppm	6.32-6.32-5.50 ppm	6.72
Sweden	7.17-7.17	7.17-7.17	2.24-2.24 ppm	6.32-6.32-5.50 ppm	6.72
Japan	17.50-17.75	17.50-17.75	0.20-0.20 ppm	6.32-6.32-5.50 ppm	6.72
Austria	22.48-22.74	22.48-22.52	2.12-2.12 ppm	6.13-6.13-5.50 ppm	6.33
Sweden	2.2213-2.2313	2.2223-2.2323	2.14-2.14 ppm	6.13-6.13-5.50 ppm	6.33
Belgian franc is for convertible francs. Financial rates 48.85-48.90. Six-month forward dollar 2.25-2.26 ppm. Six-month forward pound 3.95-3.96 ppm.					

* UK and Ireland are quoted in US dollars and not to the individual currency. Belgian franc is for convertible francs. Financial rates 48.85-48.90.

** UK and Ireland are quoted in US dollars and not to the individual currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

† Belgium franc is for convertible francs. Financial rates 48.85-48.90.

‡ CS/SDR rate for March 19: 1.80105.

§ OTHER CURRENCIES

Mar. 20	£	\$	DM	Yen	FFr	SFr	HPf	Lira	CS	BPY
2	1.4909	3.5200	2.0700	10.54	5.918	5.795	12.95	10.77	1.50	1.00
2	0.5728	1.2236	1.7613	1.6943	1.5471	1.5053	1.8010	1.6765	0.7745	0.5000
DM	2.2213-2.2313	2.2223-2.2323	1.00-1.00	1.00-1.00	1.00-1.00	1.00-1.00	1.00-1.00	1.00-1.00	1.00-1.00	1.00-1.00
Yen	1.4909	3.5200	2.0700	10.54	5.918	5.795	12.95	10.77	1.50	1.00
FFr	0.9867	1.4402	2.2500	25.85	10.	2.7265	5.669	20.000	6.644	1.00
SFr	0.9865	1.4402	2.2500	25.85	10.	2.7265	5.669	20.000	6.644	1.00
HPf	0.9864	1.4402	2.2500	25.85	10.	2.7265	5.669	20.000	6.644	1.00
Lira	0.4958	0.6582	0.6572	1.1200	0.4599	0.4599	1.1200	1.1200	0.5000	0.5000
CS	0.4851	0.7171	1.6118	126.4	4.977	3.858	102.99	1.00	1.33	0.00
BPY	1.4906	2.167	4.891	582.1	15.05	4.101	5.830	53.00	5.084	100.00
Yen	1.4906	2.167	4.891	582.1	15.05	4.101	5.830	53.00	5.084	100.00
Yen per 1000 French Fr per 100.000 Belge Fr per 100.										

EURO-CURRENCY INTEREST RATES

Mar. 20	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Starting	12.11-12.14	12.11-12.14	12.11-12.14	10.10-10.13	10.10-10.13	10.10-10.13
U.S. Dollar	11.96-12.13	11.96-12.13	11.96-12.13			

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates	
Option	Last Account
*First Deliv.	Last Account
Dealerships	Dealerships
Mar 10 Mar 26	Mar 27 Apr 7
Apr 1 Apr 10	Apr 11 Apr 21
Apr 14	Apr 24 Apr 25 May 6
** New-tim	dealerships may take place from 9.30 am two business days

The post-budget upsurge in London continued at breakneck pace yesterday. Further heavy inflows of funds from Europe, America and the Far East swept shares and bonds higher in markets experiencing acute shortages of stock. Only 11 trading days after plowing £100m into the Finsbury share index charged through 1400 to record one of the largest ever gains of 25.6 at 1415.1. Government securities, although reacting from the session's highest, also established further rises.

A strong exchange rate—sterling stood proudly at over £1.50 for much of the day—and lower commodity rates for credit gave encouragement for fresh inflows. The three-month interbank rate dipped to 11.1 per cent, before firming later, endorsing the Chancellor's view that the prospects for a further reduction in bank base rates after Wednesday's cut of one percentage point to 11.1 per cent were good.

The domestic institutions were selective in their approach to equities, while private investors were less discriminate. Brokers reported a constant stream of buying orders for stocks ranging from industrial to financial issues. Publicly on the current re-rating of the banking sector encouraged widespread support of the major clearers which scored brilliant gains. Oils were regards awaiting positive news on oil production cutbacks.

The overall behaviour of equity values was very similar to the trend seen on Wednesday. They opened strongly, suffered a respite from mid-morning to early-afternoon and then finished in a blaze of glory. The FTSE 100 share captured the late scene by achieving the biggest rise since compilation in January 1984 to close 3.3 up at a best-ever 1400.1.

Inflows of fresh money, which included pent-up overnight Japanese funds, forced Gilt-edged yields more into line with those in other international bond markets. The partly-paid "A" stocks attracted most support and rose 14 points with the price upturn accelerated by severe short covering. In the afternoon, however, Gilt futures turned away from the highest and this prompted considerable profit-taking in the cash market.

The "A" stocks led the retreat and eventually gave back a point, and sometimes more, to end a net + or - for dearer on the way. Conversion 9 per cent 2000 "A," the recent record holder, was up 1.1 before ending at 28 in the late trade. Index-linked Gilds settled after the two-day slide on the improved outlook for inflation.

Another remarkable post-budget session for the major

Equity rise continues at breakneck pace and index hits 1415.1

FINANCIAL TIMES STOCK INDICES

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	year ago
Government Secs ...	91.09	90.03	88.92	88.53	88.57	88.88	80.83
Fixed Interest... .	94.30	93.59	93.00	92.93	92.90	93.81	94.40
Ordinary ...	1415.1	1389.5	1374.6	1357.7	1360.7	1350.7	993.1
Gold Mines ...	310.8	318.1	317.4	318.8	318.7	322.8	493.8
Ord. Div. Yield ...	3.85	3.91	3.95	3.99	3.99	4.03	4.58
P/E Ratio (net) ...	18.00	18.33	18.20	18.07	18.24	18.74	10.73
Total bargains (Est.)	41,181	40,491	41,093	38,553	34,118	35,656	27,820
Equity turnover £m ...	183.16	178.53	178.10	193.12	198.46	160.40	125.00
Equity bargains ...	38	164	37,701	40,196	40,388	43,117	25,984
Shares traded (m)	4,721.1	3,767.6	3,805.5	3,821.4	3,834.5	3,876.6	2,876.0

1985-86 21 Mar 1400.0. Next 1400.0. 2 1400.0. 3 1410.4. 4 1414.3. Day's High 1415.2. Day's Low 1358.2. Basis 100 Government Securities 15/10/86. Fixed interest 1980. Ordinary 1/7/86. Gold Mines 12/9/85. SE Activity 1974. Latest Index 01-248 8028. *NII=13.08.

HIGHS AND LOWS		S.E. ACTIVITY	
	1985/86	Since Compilat'n	INDICES
	High	Low	
Govt. Secs ...	91.09	78.02	137.4
Fixed Int. ...	94.30	82.17	150.4
Ordinary ...	1415.1	1389.5	1374.6
Gold Mines ...	310.8	214.76	435.4

1985-86 21 Mar 1400.0. Next 1400.0. 2 1400.0. 3 1410.4. 4 1414.3. Day's High 1415.2. Day's Low 1358.2. Basis 100 Government Securities 15/10/86. Fixed interest 1980. Ordinary 1/7/86. Gold Mines 12/9/85. SE Activity 1974. Latest Index 01-248 8028. *NII=13.08.

	1985/86	Since Compilat'n	INDICES
	High	Low	
Govt. Secs ...	91.09	78.02	137.4
Fixed Int. ...	94.30	82.17	150.4
Ordinary ...	1415.1	1389.5	1374.6
Gold Mines ...	310.8	214.76	435.4

1985-86 21 Mar 1400.0. Next 1400.0. 2 1400.0. 3 1410.4. 4 1414.3. Day's High 1415.2. Day's Low 1358.2. Basis 100 Government Securities 15/10/86. Fixed interest 1980. Ordinary 1/7/86. Gold Mines 12/9/85. SE Activity 1974. Latest Index 01-248 8028. *NII=13.08.

business before and after the announcement of the interim results. SGB, still reflecting the chairman's optimistic statement at the annual meeting, advanced 12 to 118p in reaction to profit-taking after the interim statement. Fresh interest was noted for Lee Cooper, 15 up at 27.10p, and Next, 7 to the good of 27.70p.

A fresh bout of profit-taking left recent newcomer Welcome 12 down at 210p, a two-day lapse of 23.

The rise in leading Breweries continued and most stocks attained new all-time highs. Bass led the way with an advance of 17 to 80p. Grand Metropolitan rose 16 more to 416. Guinness closed a few pence to the good at 300p, while takeover target Distillers put on 7 to 640p; Argyll Group, rival suitors for the latter, eased 8 to 337p. Berthold's advanced 7 to 717p, following the excellent preliminary results.

Building gave another outstanding performance in the wake of the interest rate reductions. Once again, double figure gains among the leaders were commonplace, with Tarmac up 12 more at 48p and Blue Circle a further 10 higher at 68p. Redland rose 10 to 451p, while 200, both up 12. Elsewhere, Barnett Developments, up 4 at 154p, after 160p, enjoyed a lively

better at 139p. Marks and Spencer improved on 6 to 216p. Blundells, on the other hand, dipped 12 to 118p in reaction to profit-taking after the interim statement. Fresh interest was noted for Lee Cooper, 15 up at 27.10p, and Next, 7 to the good of 27.70p.

STC became a prominent feature in Electricals as a squeeze on short positions lifted the shares to 132p at one stage before settling at 129p. In contrast, Macrae's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Leading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. GKN rose 10 to 364p. Selective support was again forthcoming for secondary issues. Banjo Industries responded to the good preliminary figures and proposed one-for-one rights issue with a gain of 15 at 230p.

Cadbury Schweppes attracted speculative interest amid rumours of an imminent announcement concerning the possible sale of its Typhoo Tea subsidiary and closed 6 higher at 187p. Elsewhere, Renishaw's interim results were well received and prompted a gain of 14 at 316p. Renewed speculative buying on asset injection hopes lifted Sunbeam 24 to 251p.

Motors proved to be one of the quiet sectors of the market. Jaguar, however, attracted strong demand, after hours, and rallied from 365p to 410p after 480p. Rover 410 to 420p. While Booker McConnell, down 2 to 233p, was highlighted by a strong rally, the good annual figures and news that the company is considering the possibility of franchising of non-voting shares and an application for a full listing. Elsewhere, Plessey continued to attract buyers and advanced 23 to 251p.

Trading Engineers put on a strong performance, but the day's gains were sharply accentuated by stock shortages. Hawker featured with a rise of 22 to 613p, while Vickers were not far behind, closing 20 higher at 483p. G

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Financial Times Friday March 21 1986

Case Prev. Case																																					
P/	Sk	Div.	Y.M.	100s	High	Low	Class	Prev.	12 Month	P/	Sk	Div.	Y.M.	100s	High	Low	Class	Prev.	12 Month	P/	Sk	Div.	Y.M.	100s	High	Low	Class	Prev.	12 Month								
High	Low	Stock	Div.	Val.	E	100s	High	Low	Stock	Div.	Val.	E	100s	High	Low	Class	Prev.	Stock	Div.	Val.	E	100s	High	Low	Class	Prev.	Stock	Div.	Val.	100s	High	Low	Class	Prev.	12 Month		
21+	10%	APP	S	20	1068	125	204	211	56	374	20	15	3833	159	55	59	+1%	48	32	Craze	1.60	3	25	303	47	45	47	+1%	145	10%	JerC	2.18	9.5	2	23%	23%	
35+	17%	APP	G	17	17	17	17	505	374	37	37	152	14	14	14	+1%	74	74	Crays	1.60	3	25	25	71	71	71	+1%	145	10%	Jewer	2.1	31	21	21	21		
25+	10%	APP	A	16	106	235	255	23	56	374	37	37	37	152	14	14	14	+1%	74	74	BoltCo	1.60	3	25	25	71	71	71	+1%	145	10%	JohnJ	2.1	13	13	13	13
14%	5%	AMCA	S	9	9	9	9	10	56	374	37	37	37	152	14	14	14	+1%	41	23	BoltSv	1.60	3	25	25	71	71	71	+1%	145	10%	JohnJ	2.1	13	13	13	13
12%	5%	AMCA	G	8	8	8	8	10	56	374	37	37	37	152	14	14	14	+1%	41	23	Borden	1.52	2	15	18	45	45	45	+1%	145	10%	JohnJ	2.1	13	13	13	13
12%	5%	AMCA	A	7	7	7	7	10	56	374	37	37	37	152	14	14	14	+1%	41	23	BorgWar	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
55%	33%	ASA	S	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
29%	21%	ASA	G	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
21%	15%	AVK	S	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
37%	29%	AVK	G	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	A	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
24%	18%	AVK	D	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	C	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	B	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	A	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	G	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	D	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	C	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	B	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	A	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	G	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	D	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	C	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	B	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	A	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%	AVK	G	2	14	22	22	17	56	374	37	37	37	152	14	14	14	+1%	57	57	Bosch	1.51	3	15	17	30	30	30	+1%	145	10%	JohnJ	2.1	13	13	13	13
10%	8%</td																																				

Continued on Page 45

NYSE COMPOSITE PRICES

High Low Stock Div. Yld. E P' Ss 180s High Low

Sales figures are unofficial. Yearly highs and lows reflect previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to one cent or more has been paid, the year's high-low range and returns are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s) b-annual rate of dividend plus stock dividend c-liquidating dividend, cl-called, n-new year low, s-dividend declared or paid in preceding 12 months, d-dividend in Canadian funds, subject to 15% non-residence tax i-dividend declared after split-up or stock dividend, j-action taken at last dividend meeting k-dividend declared or paid this year, an n-cumulative return with dividends in arrears, r-new issue in last past 52 weeks. The high-low range begins with the start of trading, nd-next day delivery, P/E-price-earnings ratio, r-dividend declared or paid in preceding 12 months, s-stock dividend declared or paid in preceding 12 months, plus stock dividends. s-stock split. Dividends begin with date of split, unless otherwise specified. t-dividend paid in stock in preceding 12 months, es-estimated cash value on ex-dividend or ex-distribution date, u-new year high, v-trading halted, W-in bankruptcy or receivership, x-being reorganized under the Bankruptcy Act, or securities assumed by such companies, wd-distributed, wh-withdrewn, wv-with warrants, x-ex-dividend or ex-rights, xdr-with distribution, xnd-without warrants, xnr-without dividends and without rights, xrd-without distribution and without rights.

AMEX COMPOSITE PRICES

Prices at 3pm, March 20

OVER-THE-COUNTER Nasdaq national market, 2:30pm price

Stock	Sales (Units)	High	Low	Last	Chng	Stock	Sales (Units)	High	Low	Last	Chng	Stock	Sales (Units)	High	Low	Last	Chng	Stock	Sales (Units)	High	Low	Last	Chng	
ADC	71	49	264	264	-	ChryE	.12	1	127	121	-	121	FastRead	23	11	11-15	15-16	11-15	Kembrik	1	112	112	112	-
AEL	113	145	111	111	-	ChiCN	2203	1	127	121	-	121	FarmF	131	133	133	133	+1	Kinder	.06	1161	195	195	-1
ASK	132	124	111	111	-	ChiPacs	49	76	29	28	-	28	FrmG	833	901	891	891	-1	Kroy	.08	131	94	94	-1
AsmrP	245	165	177	177	-	Chrom	49	45	145	145	-	145	Ferfolia	513	115	105	105	-1	Kruger	.36	168	175	156	-17
Acadim	224	135	127	127	-	Cister	.15	-	7	51	-	51	Fibron	1349	107	102	102	-1	Kulcke	.1	718	151	151	-
Acelsr	43	43	37	37	-	Cipher	.15	1055	157	157	-	157	Filors	132	203	197	197	-1	LDBmk	.24	247	10	95	-1
AcroPay	24	121	115	115	-	Ciprico	.15	180	101	101	-	101	FifthTh	131	33	15	15	-1	Lsi	.08	7856	195	195	-1
AdacLb	100	121	115	115	-	Circus	.15	182	258	258	-	258	Filox	132	22	22	21	-1	LTX	.33	315	191	191	-1
Adage	111	100	95	95	-	CitzPds	.15	50	120	120	-	120	Firpolo	1349	107	102	102	-1	LePolets	.14	45	68	68	-1
AdvCar	314	11	5	5	-	CizzU	.15	216	34	34	-	34	Firpolo	132	203	197	197	-1	Lanes	.12	140	23	23	-1
Advstra	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lawns	.12	884	8	345	-1
Alban	.06	163	777	777	-	CizzU	.15	1889	44	44	-	44	Firpolo	132	203	197	197	-1	LeeDta	.32	365	15	15	-1
AggrH	40403	3705	3000	3000	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Leiner	.16	165	10	42	-1
AlmHd	1008	844	515	515	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lexida	.16	61	19	16	-1
Alkirec	225	154	154	154	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Leitbr	.09	171	24	24	-1
AlexB	180	68	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lifms	.24	454	484	484	-1
Alins	633	334	322	322	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	LleCom	.30	73	97	97	-1
Algorex	143	73	7	7	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	LilyTut	.30	304	444	444	-1
AllegW	24	73	21	20	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lindberg	.22	16	16	16	-1
AllegGr	49	105	128	128	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	LisCda	.40	140	57	57	-1
AlldinB	56	56	56	56	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	LongF	.16	110	32	32	-1
Alpidic	110	255	255	255	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lynden	.24	245	245	245	-1
Altos	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Lyphon	.24	245	245	245	-1
Amcast	44	44	44	44	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	M	M	M	M	M	
Amcar1	44	44	44	44	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MPSdr	.10	51	51	51	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MTS	.34	389	262	262	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MTV	.33	334	334	334	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MacHT	.22	1810	13	13	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MedGE	.36	305	305	305	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Meirts	.018	52	143	143	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Menzel	.12	105	471	471	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mercux	.30	87	102	102	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mercut	.35	101	101	101	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mitchie	.1	223	267	267	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mccols	.203	203	203	203	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Messor	.11	15	15	15	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mervel	.15	15	15	15	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MayPt	.07	401	316	316	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MayOl	.07	401	316	316	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	McCrn	.08	334	424	424	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	McFarl	.12	120	101	101	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mentor	.05	95	134	134	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Menrg	.210	266	501	501	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	Mentor	.44	333	1	1	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	50	50	50	50	-	CizzU	.15	216	46	46	-	46	Firpolo	132	203	197	197	-1	MercBc	.08	334	416	416	-1
AmAdv	111	111	111	111	-	CizzU																		

HOW TO ORDER THE FT FOR MORNING DELIVERY IN:
Atlanta • Boston • Chicago • Dallas • Detroit • Miami • Houston
• Los Angeles • New York • Philadelphia • Pittsburgh •
San Francisco • Washington • Montreal • Ottawa • Toronto

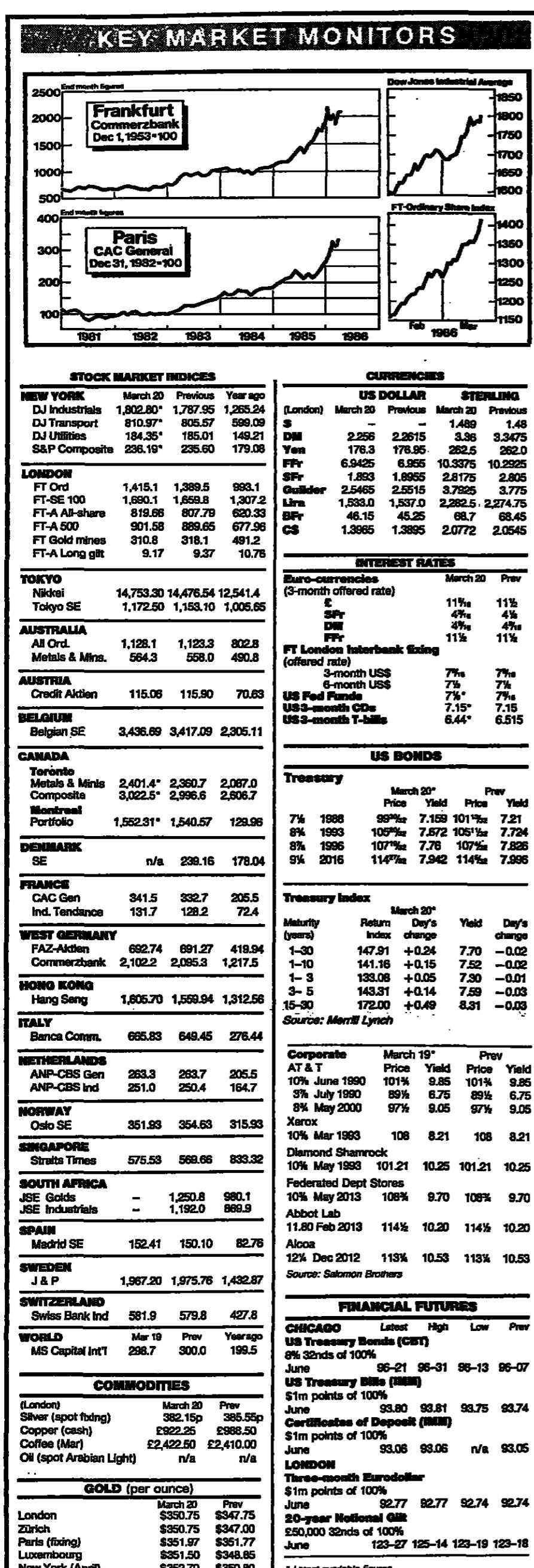
Call the Financial Times direct: 212-752-4500.
From 9am to 6pm New York time. Ask for Subscription Service.

FINANCIAL TIMES
14 East 60th Street, New York, NY 10022

Continued on Page 43

FINANCIAL TIMES

WORLD STOCK MARKETS



WALL STREET

Heartened by Opec discord

THE DISCLOSURE of discord among the Opec ministers as they seek to stem the slide in world oil prices heartened the US financial markets yesterday, writes Terry Byland in New York.

The federal bond market opened strongly and gains in leading stocks took the Dow average above 1,800 again in early trading.

However, the broader-based stock market was reluctant to follow the rise in leading stocks, which was powered by a bout of futures-related buying.

At 3pm, the Dow Jones industrial average was up 14.85 at 1,802.80.

A notable weak spot was again IBM, down 31¢ at \$150.4, in persistent selling. Other technology issues also weakened. Honeywell shedding 51¢ to \$744 and NCR 5¢ to \$41.4.

The exceptions came in the personal computer area, where Apple jumped \$2 to \$239 in heavy trading after forecasting that earnings would rise from 16 to 50 cents a share in the second quarter.

The Detroit car stocks continued to surge ahead, participating in the futures-related buy programme but also benefiting again from price increases by Nissan Motor. At \$43.5, Chrysler jumped a further \$2.4. Ford gained \$2.4 to \$78.4 and General Motors \$1.6 to \$85.4.

There was activity again in defence-aerospace issues. General Dynamics, up 5¢ at \$83.4, Lockheed, up 5¢ at \$57.1 and McDonnell Douglas, up 5¢ at \$86.4 all found buyers.

Eli Lilly, the drug group, continued to advance in heavy trading, gaining 5¢ to \$67.4, with the stock warrants also strong after a Wall Street firm favourably reviewed prospects for the group's latest pharmaceutical products.

Airline stocks continued to forge ahead. American, up 1.5¢ at \$51.6 and United, up 5¢ at \$56.4 stood out among the domestic carriers. TWA at \$18.4 remained quiet as investors awaited the outcome of the dispute with cabin staff.

Rail issues, which will benefit first if the forecasted upturn in the economy takes place, were less certain than at the beginning of the week. Norfolk Southern jumped 51¢ to \$83.4, while Union Pacific fell 51¢ to \$53.4. Turnover in rail stocks was moderate and prices moved sharply as moods changed.

The renewed signs of weakness in the US currency brought in buyers for chemical stocks, which sell much of their output overseas. Monsanto was again the bright spot, gaining 5¢ to \$64.4 but Du Pont, \$5 better at \$75.5, reversed the weaker trend of recent sessions.

There was renewed demand for tobacco stocks, which have benefited from a favourable ruling in a federal appeals court regarding the cancer-death legal suits. Philip Morris bounded ahead \$3 to \$123.4, although turnover was light. At \$24.4, R. J. Reynolds gained 5¢.

The brighter tone in the credit markets quickly brushed off onto bank stocks. Chase Manhattan jumped 51¢ to \$45.4, as the market took a favourable view of the decision to quit the travellers cheque business by selling the Visa cheque business to Barclays Bank of the UK.

Citicorp edged up 5¢ to \$54.4, while Quotron, the financial market electronic information group which the bank plans to buy, eased 5¢ to \$18.4. There was again a huge trade in Quotron stock.

In the credit markets, there was further dismay in the municipal sector at proposals by Senator Packwood to impose a 20 per cent income tax charge on the currently tax-exempt sector. Prices rebounded, however, adding up to 12 points, with some traders confident that the proposals would not become law.

But price changes often reflected narrow inter-trader business rather than genuine investment interest which remained at a standstill. New York City has postponed a \$450m bond issue be-

cause of the tax uncertainty and there is concern over the \$3bn in recent issues still in the market.

Money market and similar short-term rates showed minor falls as the federal funds rate eased to 7.75 per cent after the Fed drained liquidity by means of matched sales.

Early gains in bonds were trimmed but yields remained comfortably below 8 per cent at the long end of the market.

LONDON

Breakneck pace brings peak levels

FUNDS FLOWED from overseas into London yesterday, adding fuel to the post-budget rally. The breakneck pace pushed the FT Ordinary share index through the 1,400 level - it pierced 1,300 only 11 trading days ago - to leave it 15.6, one of its largest ever gains, at 1,415.1.

A strong pound and lower interest rates added to the excitement and prospects for further rate cuts looked good.

The FT-SE ended with a blaze of glory, closing 30.3 up at a record 1,690.1 - the biggest rise since compilation.

After early gains, gilts fell back in late trading to end around 4% higher.

Chief price changes, Page 43. Details, Page 42. Share information service, Page 40-41.

AUSTRALIA

AN ATTEMPT to return to records in Sydney yesterday pushed the All Ordinaries share index to a peak of 1,130.3 during the day before it eased to finish up 5.5 at 1,128.5.

Miners, industrials and situation issues attracted strong buying. CRA put on 8 cents to \$68.78 and its Papua and New Guinea subsidiary Bougainville Copper added 5 cents to \$42.75.

BHP, which is fighting a takeover bid from Bell Resources, was steady at \$68.36.

HONG KONG

ENTHUSIASTIC local buyers prompted a rebound in Hong Kong yesterday dragging it out of its two-day consolidation phase. The Hang Seng index jumped 45.76 to 1,605.70.

Rumours that Jardine will sell its stake in Hongkong Land, resurfaced after almost a week and Jardine rose 40 cents to HK\$11.50 while Hongkong Land added 25 cents to HK\$55.75. Jardine is expected to announce its 1985 results today.

SINGAPORE

SOME BLUE chips recorded modest gains in Singapore where investors continued to hunt bargains.

The market remained pessimistic, however, as fears grew that selling would increase when more forward contracts mature today and when large amounts of stocks, which have been repossessed, are sold by the banks.

Singapore Airlines increased to \$86.50, up 10 cents, and Genting put on 12 cents to \$83.80.

SOUTH AFRICA

THE RALLY continued in Johannesburg yesterday, buoyed by a steady gold price and the weaker rand.

Randfontein jumped 57¢ to R279.70 after a R100 rise on Wednesday while GB Inno BM recovered its poise and firms BHP to R70 to R70. Delhaize was steady at R80 to R80.

Among utilities, Intercom lost R5 to R5, 600 although Tractionel firmed R80 to R80.

Paris also kept on its record-breaking run. The start of the new trading account helped liquidity although substantial overseas buying, largely from Japan, was evident.

Food stocks were again a favourite. Perrier sparkled with a FF 40 rise to FF 590 while Pernod Ricard was FF 57 higher at FF 1,112. BSN built on the progress made since Tuesday with another FF 30 filip to FF 3,910.

Construction issues were slightly mixed, with Bouygues FF 20 higher to FF 1,092 while Scigre sustained a FF 10 decline to FF 106.

Although Frankfurt displayed a weaker bias as foreign investors were reluctant to commit fresh funds, there was plenty of corporate news to keep the market busy.

Nixdorf added 50 pfq to DM 580.50 in the wake of the founder's death early in the week while Bayerische Hypotheken Bank added a further DM 8 to DM 640 on record profit figures for 1985.

Volkswagen made modest progress in an easier car sector as the group announced that deliveries rose 11.5 per cent in the first two months of the year.

Siemens surrendered DM 8.50 to DM 7.12 on hints from the board that a lower dividend may be on the way.

Lufthansa, announcing that it had made a "Respectable" profit for 1985 but

declining to release details yet, shed DM 2 to DM 276.

Bonds were quiet and marginally higher. The Bundesbank was less active yesterday with sales of only DM 7.2m worth of paper compared with purchases of DM 146.8m on Wednesday.

Milan was higher on strong overseas and domestic demand. Fiat was spotlighted with a L700 rise of L10,850 after it denied reports again that Libya had sold its stake in the group.

Selling continued in Oslo. Storebrand suffered a Nkr 5 fall to Nkr 245 after poor results while DnC lost Nkr 13 to Nkr 151.50 despite record 1985 profits.

Amsterdam and Zurich managed small gains while Stockholm retreated. Electrolux's overseas share plan merited a SKr 11 fall to SKr 266.

Madrid was led higher by banks again.

TOKYO

Rate hopes revive run to records

AFTER THREE consecutive lower sessions prices rallied to a high in Tokyo yesterday as expectations grew for a cut in the official discount rate, writes Shigeo Nishiwaki of *Japan Press*.

The rally was led by issues with hidden assets, such as Mitsubishi Estate, utilities, such as Tokyo Electric Power, and constructions.

The Nikkei average soared 27.76 points to 14,753.30, its third largest daily gain. Volume rose sharply in the afternoon, to a record 864,424 shares, up from the previous day's 736,707m. Gainers outpaced losers by 527 to 358, with 105 issues unchanged.

The market opened in a cautious mood, but buying interest revived gradually, as investors reacted positively to the suggestion from Bank of Japan Governor Mr Satoshi Sumita after Wednesday's close of a third discount rate cut.

The rally started with Nomura Securities' purchase of an estimated 10m shares in Mitsubishi Estate. Encouraged by this display of enthusiasm, investors rushed to buy hidden asset issues such as real estates and warehouses and utilities.

Mitsubishi Estate soared Y280 at one stage, approaching the daily limit gain of Y300, but eased later on profit-taking to close Y230 up at Y1,790 on a volume of 34,35m shares, the second-largest traded. Nomura Securities moved up Y60 to Y1,550.

Mitsui Real Estate Development rose Y180 to Y1,570 and Sumitomo Realty and Development Y180 to Y1,650. Mitsubishi Warehouse and Transportation added Y72 to Y1,070. Odakyu Electric Railway Y33 to Y625 and Nippon Express Y52 to Y815 on a volume of 24,56m shares, the fourth largest on the active list.

Sumitomo Chemical, which was traded actively on Wednesday on news that it can mass produce new agricultural chemicals using biotechnology, jumped to Y303 at one stage, but finished only Y6 up at Y290 on 44,26m shares, top of the active list.

Non-life insurance and securities houses were also favoured. Tokio Marine and Fire Insurance, ranking third in volume with 29,23m shares, rose Y110 to Y1,210 and Sumitomo Marine and Fire Insurance Y70 to Y910.

The bond market regained strength in the afternoon with the yield on the bellwether 5.2 per cent government bonds due in July 1985 plummeting to 4.885 per cent from Wednesday's 4.960 per cent.

The yield on 6.8 per cent government bonds